EXTENSIONS OF REMARKS

U.N. PEACEKEEPING—PART IV

HON. LEE H. HAMILTON
OF INDIANA
IN THE HOUSE OF REPRESENTATIVES

Monday, November 15, 1993

Mr. HAMILTON. Mr. Speaker, in a continuing effort to keep my colleagues informed on U.N. peacekeeping, I am today submitting a list provided by the Department of State on November 5, 1993, of all U.N. peacekeeping forces and related missions.

Each peacekeeping mission is briefly described, along with the total U.N. cost—of which the United States pays 30.4 percent—as well as the number of United States and other forces involved in each mission.

U.N. PEACEKEEPING FORCES AND RELATED MISSIONS[1]

MIDDLE EAST

UN Truce Supervision Organization (UNTSO).

Established: 1948; Personnel: 219 (17 U.S.); Estimated Cost (1993): $31 million.

UNTSO was established with a mandate of indefinite duration to supervise the truce in the Arab-Jewish hostilities called for by the Security Council at the end of the British mandate in Palestine. It has performed a variety of tasks since then, including assisting UNDOF and UNIFIL. Approximately twenty countries furnish observers.

UN Disengagement Observer Force on the Golan Heights (UNDOF).

Established: May 31, 1974; Personnel: 1,130 (0 U.S.); Estimated Cost (1993): $43 million.

UNDOF monitors the buffer zone between Israeli and Syrian forces on the Golan Heights. Its six-month mandate has been renewed each November and May. Troops are provided by Austria, Canada, Finland and Poland.

UN Interim Force in Lebanon (UNIFIL).

Established: March 19, 1978; Personnel: 5,264 (0 U.S.); Estimated Cost (1993): $153 million.

UNIFIL was established to assist in restoring peace in southern Lebanon. Its six-month mandate has been renewed each January and July. Fiji, Finland, France, Ghana, Ireland, Italy, Nepal, Norway, Poland and Sweden furnish troops.

UN Iraq-Kuwait Observation Mission (UNIKOM).

Established: April 9, 1991; Personnel: 333 (15 U.S.); Estimated Cost (1993): $75+ million.

UNIKOM monitors the demilitarized zone between Iraq and Kuwait set up in the aftermath of the Gulf War. Thirty-three countries furnish observers. Its mandate continues indefinitely until all five permanent Security Council members agree to terminate its operations. Difficulties in finding troops and funding have delayed its planned expansion.

UN Force in Cyprus (UNFICYP).

Established: March 4, 1964; Personnel: 1,005 (0 U.S.); Estimated Cost (1994): $47 million.

UNFICYP was created in 1964 to halt violence between the Turkish Cypriot and Greek Cypriot communities and to help maintain order on the island. In 1993, troop contributors, unreimbursed by the UN for many years, demanded a down-sizing of the force and a switch from voluntary to assessed contributions. After the Greek and Cypriot governments agreed to pay more than half of the $47 million annual cost of a reduced force proposed by the Secretary General, the Security Council agreed to fund the balance through assessments. Austria, the United Kingdom and Argentina currently are the major troop contributors. UNFICYP's six-month mandate has been renewed each May and December.

UN Protection Force (UNPROFOR) (former Yugoslavia) (Chapter VII with the exception of Macedonia).

Established: February 21, 1992; Personnel: 24, 822 (647 U.S.); Estimated Cost (1993): $900 million.

UNPROFOR was initially established with a twelve-month mandate as an interim arrangement to create the conditions of peace and security required for the negotiation of an overall settlement of the Yugoslav crisis. Through subsequent Security Council resolutions, functions were added to its mandate, including providing security at Sarajevo airport, monitoring certain areas in Croatia, protecting humanitarian convoys, deploying observers in Macedonia, and enforcing an arms embargo on Bosnia-Herzegovina. More than twenty nations contribute personnel. Its current mandate expires March 31, 1994.

UN Observer Mission in Georgia (UNOMIG).

Established: August 24, 1993; Personnel: 88 authorized (0 U.S.); Estimated cost: $16 million for six months.

UNOMIG is to monitor compliance with the cease-fire agreement reached between the Republic of Georgia and Abkhaz separatist forces on July 27. Its mandate is for six months, but it is to extend beyond ninety days only after consideration by the Security Council of a report from the Secretary General on whether the parties are making progress toward implementing peace. Four military observers and four civilian staff had been deployed when recent fighting initiated by Abkhaz forces in violation of the cease-fire agreement caused the UN to suspend deployment.

ASIA

UN Military Observer Group in India and Pakistan (UNMOGIP).

Established: January 5, 1949; Personnel: 38 (O U.S.); Estimated Cost (1993): $5 million.

Created to assist in the implementation of the cease-fire agreement of January 1, 1949, between India and Pakistan, UNMOGIP observes, reports, and investigates complaints from the parties on violations of the cease-fire. States providing personnel are Belgium, Chile, Denmark, Finland, Italy, Norway, Sweden, and Uruguay. UNMOGIP's mandate is of indenfinite duration.

UN Transitional Authority for Cambodia (UNTAC).

Established: February 28, 1992; Personnel: 12,669 (4 U.S.); Estimated Cost (1993): $1.9 billion).

UNTAC's mission was to restore and maintain peace, promote national reconciliation, and ensure the exercise of the right to self determination of the Cambodian people through free and fair elections. Its mandate expired with the formation of a new government in September 1993. The withdrawal of UNTAC's personnel is to be completed by November 15, 1993. More than thirty countries provided troops or observers.

AMERICAS

UN Observer Mission in El Salvador (ONUSAL).

Established May 20, 1991; Personnel: 362 (0 U.S.); Estimated Cost (1993): $49 million.

Its initial mandate to monitor the human rights agreement between the Government of El Salvador and the Farabundo Marti National Liberation Front (FMLN) was expanded on January 14, 1992 to include monitoring the cease-fire, separting combatants, observing the dismantling of the FMLN military structure, and observing the reintegration of the FMLN into Salvadoran society. The Security Council recently extended its mandate through the scheduled March 1994 elections. Seventeen countries have personnel in ONUSAL.

UN Mission in Haiti (UNMIHAT).

Established: September 23, 1993; Personnel: 1,267 authorized, to include approximately 600 U.S. Sea Bees and military trainers. Estimated Cost: $50 million for first six months.

On August 31, 1993 the Security Council approved an advance team of not more than 30 persons for not more than 30 days to prepare for a possible deployment of the proposed 1,100 plus mission. On September 23, the Security Council approved the Secretary General's recommendation that the full mission consist of about 567 international police monitors to accompany local Haitian security force personnel, approximately 700 military construction personnel and a 50–60 person military training unit. The U.S. will contribute forces to the latter two elements of the mission.

The mission is for a period of six months, with the proviso that it be extended beyond 75 days only upon review by the Security Council of a report by the Secretary General that substantive progress has been made toward implementation of the Governors Island accords.

Deployment of forces was suspended October 14 after an armed gang blocked a ship carrying peacekeepers from docking in Port au Prince.

AFRICA

UN Mission for the Referendum in Western Sahara (MINURSO).

Established: April 29, 1991; Personnel: 349 (32 U.S.); Estimated Cost (1993): $80 million.

MINURSO was charged to conduct a referendum on whether Western Sahara, a former colony from which Spain unilaterally withdrew, should become independent or integrated into Morocco. Its mandate was expected to terminate in January 1992, but failure by the parties to agree on procedures for the conduct of the referendum has led to an extension of MINURSO's deployment. Twenty-eight countries have provided civilian or military personnel. The UN Secretary General's plan calls for an ultimate deployment of approximately 2,900 military and civilian personnel to help conduct the referendum.

[1] Costs estimates are for UN total. Personnel data is as of August 31, 1993.

UN Angola Verification Mission (UNAVEM II).

Established: May 30, 1991; Personnel: 74 (0 U.S.); Estimated Cost (1993): $173 million.

UNAVEM's original mandate was to monitor a cease-fire between government forces and UNITA rebels, assist in preparations for elections in September 1992, and monitor the polls. Elections proceeded relatively well, but UNITA rebels disavowed the results and resumed full-scale warfare. Although the United Nations has sought to encourage dialogue between UNITA and the government of Angola, it has been unsuccessful. UNITA forces appear intent on consolidating their military gains. The Security Council approved a three-month extension of UNAVEM II's mandate on September 15 and imposed sanctions, including an arms embargo, on UNITA. Approximately twenty-four countries have participated in the military operation.

UN Operation Mission in Somalia (UNOSOM II) (Chapter VII).

Established: April 24, 1992; Personnel: 23,331 (2,805 U.S.); Estimated cost (1993): $1.5 billion.

UNOSOM's original mandate was to monitor a cease-fire in Mogadishu and to provide security for humanitarian assistance personnel. After the situation on the ground deteriorated, the Security Council on December 3, 1992, authorized, under Chapter VII of the Charter, member states to utilize "all necessary means" in establishing a secure environment for humanitarian relief operations. This became the U.S.-led Unified Task Force (UNITAF). The post-UNITAF UNOSOM II's objectives were established in UNSCR 814 of March 26, 1993, and include promoting national reconciliation, assisting Somalis in re-establishing their political institutions and economy, providing humanitarian assistance, and assisting in the repatriation of refugees. UNOSOM's current mandate expires on November 18.

On October 7, President Clinton announced that all but a few hundred non-combat support troops would be withdrawn from Somalia no later than March 31, 1994.

UN Operation in Mozambique (ONUMOZ).

Established December 16, 1992; Personnel: 6,498 (0 U.S.); Estimated Cost (1993): $330 million.

ONUMOZ is to assist in the implementation of the agreement between the Government of Mozambique and Mozambique National Resistance (RENAMO) to end Mozambique's civil war. The UN forces will monitor the cease-fire and demobilization of combatants and provide security for humanitarian relief missions. ONUMOZ's mandate expires on November 5, 1993, but is likely to be extended through the elections now planned for no later than October 1994. Italy, Uruguay, Zambia, Bangladesh and Botswana are major troop contributors.

UN Observer Rwanda/Uganda Mission (UNOMUR).

Established: June 22, 1993; Personnel: 81 authorized Estimated Cost (1993): $6–8 million.

UNOMUR's mission is to deploy on the Ugandan side of the border and verify that no military assistance to Rwandan rebels is transported across the border from Uganda. UNOMUR's initial six-month mandate expires December 21, 1993, and in any case no later than new national elections in Rwanda. It will soon be integrated within UNAMIR, which (see below) was established on October 5, 1993.

UN Assistance Mission for Rwanda (UNAMIR).

Established: October 5, 1993. Personnel: 800 authorized. Estimated Cost for six months: $63 million.

UNAMIR's mission is to deploy lightly-armed UN peacekeepers to Rwanda to monitor observance of the August 4 peace accords leading to national elections within 22 months and to assist with mine clearing, repatriation of refugees, and the coordination of humanitarian assistance activities in Rwanda. UNOMIR's initial six month mandate expires on April 5, 1994, but could be extended until the end of December 1995. No UNAMIR troops have yet been deployed to Rwanda.

UN Military Observers in Liberia (UNOMIL).

Established: September 22, 1993; Personnel: 650 (330 military, 320 civilian) requested; Estimated cost for seven months: $140 million for seven months.

On August 10, the UN Security Council authorized the immediate deployment of 30 UNOMIL observers to Liberia as an advance party for a UNOMIL force, which the Security Council subsequently approved on September 23 in UNSC Resolution 866. The Secretary General proposed 330 military observers plus an equal number of civilians. Since 1990 the U.S. has given extensive support to the OAU and the Economic Community of West African States (ECOWAS), which have had peacekeepers in Liberia (the cease-fire Monitoring Group known as ECOMOG). There are about 11,000 ECOMOG peacekeepers currently deployed in Liberia. In his report of September 9 to the UN Security Council, the Secretary General affirmed that ECOMOG should retain the lead in peacekeeping in Liberia, supplemented by UNIOMIL.

UNOMIL has a seven month mandate, subject to first review by the Security Council in December, 1993.

CONSCIENCE OR CONSTITUENCY? NAFTA AND THE DILEMMA OF THE REPRESENTATIVE

HON. STEPHEN HORN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, November 15, 1993

Mr. HORN. Mr. Speaker, I recently had conversation with a constituent who was very upset that I was strongly supporting the North American Free-Trade Agreement [NAFTA]. After making the usual criticisms of NAFTA—and after admitting that quite possibly there were some good reasons to support it—he said, "but none of this matters. If the people of your district want you to vote a certain way, then it is your duty to vote that way."

I answered that, in the absence of a reputable poll, no one really knew what the voters of the 38th Congressional District felt about NAFTA—my feeling is that, like elsewhere in the country, opinion is about evenly split. I then asked him the following: "Let's say that an overwhelming majority of people in the district were for NAFTA, but that I had studied the issue and was absolutely convinced that NAFTA would be a disaster for America. Would you want me to vote for it?"

After a long pause, this constituent—a thoughtful, hard-working follower of Ross Perot—said, "You should do what the people want you to do." I praised him for being consistent, but told him that I could not agree that a Representative should ever knowingly vote for something that he or she believes is wrong for the country—even if a majority of constituents favors it, and even if opposing it costs the Representative his or her job at the next election.

What this constituent expressed is the view that an elected Representative is nothing more than the extension of the popular will and should not exercise independent judgment. Historically, under this theory, a Representative is only necessary as a messenger of the people because the size of the population or the extent of the territory makes it impractical for all the people to vote on every issue.

In the modern age, with polls and interactive media, it may be possible to truly gauge "the will of the people" or to let the people actually decide issues at the national level. This is technically possible, but is it desirable?

Is public opinion—the views of the people on an issue at a certain point in time—capable of governing the country? Quite apart from the difficulties of accurately measuring public opinion, and the additional problem of changes in that opinion—do we repeal a law as soon as a few percent switch from support to opposition—there are two major flaws in governing by popular will:

First, the people can be wrong. Reasonable people can differ on what is good or bad for the country, but a majority of the people can occasionally be wrong. Anyone who doubts this will have to defend racial, ethnic, religious, and gender discrimination, the internment of Japanese-Americans, and many other policies that virtually everyone would now agree were morally wrong.

Second, governing by public opinion provides no accountability. This is perhaps the greatest objection. If the public simply wants their Representatives to do what the public is thought to desire, then any politician has an automatic excuse to avoid accountability: "The public wanted it. The public made me do it. How can you be angry at me when I only did what you, the public, wanted me to do?" By being completely representative the Representative becomes completely unaccountable for the consequences of his or her votes.

More recent notions of electronic democracy—national town halls as forums for decisionmaking—have all the same flaws that governing by public opinion has with the added complication that a small minority might be able to exercise disproportionate influence on the results. More important, there is a real danger of manipulation of the issues by master demagogs whose ability to arouse emotion far exceeds their ability to muster a sound argument.

Another theory of the proper role for a representative was expressed most famously by a member of the House of Commons of Great Britain, Edmund Burke. In his "Speech to the Electors of Bristol" in 1774, Burke said, "Your representative owes you not his industry only, but his judgment; and he betrays instead of serving you if he sacrifices it to your opinion."

Our constitutional Framers unquestionably held to the same theory as Burke; the Representative is elected—and thus accountable—to represent the values and interests of the people, but should exercise judgment and discretion on specific issues. Further, the Representative must uphold the Constitution—itself both a grant of rights to all and a limitation of the rights of the majority.

Our constitutional system was designed by imperfect people to allow an imperfect society to prevent as many grave errors as possible, and to correct eventually those errors that are made. That is why each branch of Government is designed to check the others. And, that is why the people are given the ultimate power of changing the direction of Government through elections, or by amending the Constitution itself.

However, the constitutional framework was also designed to check the popular passions of the people. Indeed, the Framers presumed that most of the dangers to liberty would be the result of popular passions overwhelming the judgment of the legislature, or usurpations by a power-hungry executive possibly acting in concert with a temporary majority of the people.

For better or for worse, the Framers created a system that often relies on political courage to make it work. A largely forgotten story illustrates the beauty of the system, the occasional fallibility of the people we elect to lead us, and it shows that majority opinion can be wrong.

In 1946, Harry Truman, a man of immense political courage, and a friend of organized labor, got into a fight with the striking steelworkers union. In addition to great courage, President Truman was also a man of great temper. Thus, his solution: draft all the steelworkers into the Army. The public supported Truman. The House debated all of 2 hours and gave him the authority to do this by a vote of 306 to 13. Then, Senator Robert A. Taft of Ohio, regarded by organized labor as their greatest enemy, but also a man of immense political courage, brought his Senate colleagues to their senses. The proposal to give the President the authority to draft striking workers was defeated.

Political courage, simply stated, is the willingness to do what one believes is right when it is not in one's political self-interest to do so. It has been the absence of political courage and leadership by Congress in recent years—often called gridlock and mistakenly blamed on having a President of one party and a Congress controlled by the other—that has fueled much of the frustration that led to the Perot phenomenon in 1992 and thereafter. However, with respect to NAFTA, what the supporters of Ross Perot want from Congress is not courage and leadership, but blind followership.

Mr. Perot has been eloquent in his denunciation of lobbyists, special interests, and Political Action Committees [PAC's]. As one who refuses all PAC money, I commend him for his stand on campaign finance reform. It is ironic that many of those same special interests are the strongest opponents of NAFTA. Their pressure has helped all too many legislators rationalize opposition to NAFTA. Indeed, despite the media attention paid to Mr. Perot and other high-profile opponents of NAFTA, the most effective opposition has been the sheer power of some labor and business interests in protected industries which have threatened to cut off contributions by their Political Action Committees. One undecided Congresswoman has said publicly that she was told a vote for NAFTA "would mean a divorce with organized labor, and the divorce is final."

Privately, a majority of Representatives favor NAFTA because they know it is right for America, and they know the criticisms are specious. Publicly, since Congress is—wisely—not allowed to vote in secret, NAFTA is behind and may well lose. Some who oppose NAFTA do so on frankly protectionist grounds. Although I disagree with their view and think it is shortsighted, I do not question their sincerity. Many others, however, who are not protectionist—and know what a disaster protectionism has been for this country—are really against it because of fear for their political lives.

There are no guidelines other than one's conscience as to when it is time to be courageous. Elected officials have been known to ask themselves: "Is this issue really worth losing my office? After all, if I am not reelected because of this single issue, then all the other worthy positions I stand for will be sacrificed." The danger, of course, is that one can compromise oneself so much that simply trying to stay in office is all that's left.

I believe NAFTA is one of the most important issues America will face in this decade and that it is certainly worth risking one's office to fight for it. Win or lose, I am far more concerned about what this debate has degenerated into. If NAFTA is rejected, the real tragedy will not simply be for trade or foreign policy. It will also be for Congress and the constitutional system and, thus, for the American people. The judgment on Congress will be that we were given a clear choice in the Nation's best interest but we lacked the courage to make the right decision.

The question now before us is whether enough Members are willing to take responsibility, vote their conscience, and set a bright course for the American future. For Congress, that is what the vote on NAFTA has become.

THE 10TH ANNIVERSARY OF THE LIFEPAGE PROGRAM

HON. PHILIP R. SHARP

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, November 15, 1993

Mr. SHARP. Mr. Speaker, I would like to inform my colleagues in Congress of the 10th anniversary of an important, lifesaving service of the paging industry that means freedom and hope for organ transplant candidates.

Today, November 15, 1993, marks a decade of service for the LIfePage Program, which provides free pagers and paging service to patients waiting for organ transplants. Administered through the Science and Education Foundation for Telocator, the Personal Communications Industry Association, LifePage has helped more than 50,000 transplant hopefuls lead normal, active lives while awaiting the notification call that could mean life or death.

LifePage was officially announced at a Capitol Hill news conference 10 years ago by ALBERT GORE, Jr., then a Representative from Tennessee with a keen interest in the organ donation issue. As author of the legislation which led to the National Organ Transplant Act, GORE praised LifePage for freeing patients from the chains of their telephones as they waited for word of an organ match.

What began as a pilot program in California with 300 pagers has evolved into a nationwide service which distributes more than 500 pagers per month. Thanks to the generosity of more than 450 paging companies, equipment manufacturers, and foundation contributors, tens of thousands of patients have been helped, and thousands more currently carry LifePage pagers.

Every 30 minutes, someone is added to the national transplant waiting list. Coupled with the fact that the preservation time for organs is extremely limited, patients may have as few as 20 minutes to respond to notification that an organ is available, before it must be offered to the next patient on the list. The stress posed by this limited reaction time can be overwhelming. LifePage offers these patients a sense of security and peace of mind. Perhaps Vice President GORE said it best during his remarks at the recent Telocator convention when he congratulated the paging industry on the success of the program, calling LifePage terrific technology matched with big hearts.

I would like to join him in saluting the LifePage Program. It is in the interest of furthering the humanitarian goals of the LifePage Program that we commemorate the work of those who make it possible.

KEY DOCUMENTS PROVE INNOCENCE OF JOSEPH OCCHIPINTI

HON. JAMES A. TRAFICANT, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, November 15, 1993

Mr. TRAFICANT. Mr. Speaker, as part of my continuing efforts to bring to light all the facts in the case of former Immigration and Naturalization Service Agent Joseph Occhipinti, I submit into the RECORD additional key evidence in the case.

EXHIBIT 1

STATE OF NEW YORK,
County of Queens, ss:

Manual DeDios, being duly sworn, deposes and says:

I am a former editor of El Diario/La Prensa Newspaper and am currently the editor of a weekly newspaper published in the Spanish language known as Canbyo.

During the course of my work for Canbyo, I undertook to write an expose concerning criminal complaints brought against an Immigration and Naturalization Service Supervisory Special Agent named Joseph Occhipinti by various members of the Federation of Dominican Merchants and Industrialists of New York.

During the course of my investigatory work in researching for the article, I interviewed numerous individuals who are members of the Federation of Dominican Merchants and Industrialists of New York. These individuals confided to me that Mr. Occhipinti had been set up by the Federation and that the complaints against him were fraudulent. These individuals have indicated to me that they are in fear of their safety and as a result would not go public with this information.

I would be more than willing to share my information with any law enforcement agencies or Courts concerned with these matters and would cooperate fully in any further investigations.

MANUAL DEDIOS.

EXHIBIT 2

STATE OF NEW JERSEY,
County of New Jersey ss:

Alma Camerina, being duly sworn, deposes and says:

1. I am currently employed as a legal assistant with a law firm. I have previously been employed as a Police Officer in Puerto Rico and as a legal assistant with the law firm of Aranda & Gutlein. I am currently a registered informant with the New York City Police Department, Immigration and Naturalization Service, United States Custom Service and the Federal Bureau of Investigation. I have been instrumental in the development of numerous prosecutions.

2. I am familiar with Joseph Occhipinti and have known him since October 1988. At that time, I provided Mr. Occhipinti with certain information relating to the homicide investigation of Police Officer Michael Buczek which was being conducted by Mr. Occhipinti and other law enforcement officials. I also provided Mr. Occhipinti with information concerning his investigation of the drug cartel of an individual known as Freddy Then. At this particular time, I was employed as a law assistant by Aranda & Gutlein.

3. In the early part of 1989, I informed Mr. Occhipinti and other law enforcement agents that my employers, Mr. Aranda and Mr. Gutlein, were involved in a number of criminal activities including but not limited to official corruption and drug and weapon trafficking. Mr. Gutlein, who is a former Assistant United States Attorney in the Southern District of New York, had told me on numerous occasions that he has a number of important contacts in the United States Attorney's Office.

4. Based upon the information that I gave to Mr. Occhipinti, I had at least two (2) meetings with Assistant United States Attorney Jeh Johnson. Mr. Occhipinti, as well as other law enforcement agents, was present at these meetings. During the course of these meetings, I provided Mr. Johnson with information concerning Mr. Aranda and Mr. Gutlein. I also informed Mr. Johnson that Freddy Then was buying up bodegas in New York for the purpose of using them as a vehicle for drug trafficking and money laundering which involved illegal aliens.

5. In or about March 1989, I heard a conversation at the law offices of Aranda & Gutlein. During the course of this conversation, Mr. Aranda complained to Mr. Gutlein about the fact that Mr. Occhipinti was putting tremendous pressure on the illegal activities of their Dominican clients. Mr. Aranda told Mr. Gutlein that he would like to have Mr. Occhipinti "eliminated". Mr. Gutlein stated to Mr. Aranda that having Mr. Occhipinti "eliminated" was not the right thing to do. Mr. Gutlein stated instead that they should think up a plan to set Mr. Occhipinti up and have him prosecuted for violating the civil rights of the Dominicans. Mr. Gutlein stated that he had contacts at the United States Attorney's Office and they should be able to help in prosecuting Mr. Occhipinti.

6. In August of 1989, I reported this conversation to Jeh Johnson. Although Johnson took the information down, he did nothing to follow it up and I never heard from him again concerning it.

7. Approximately one (1) month after I spoke with Mr. Johnson at the United States Attorney's Office concerning the threats to Mr. Occhipinti, a co-worker of mine by the name of Alma Monte, told me to be careful for my safety because Mr. Gutlein had been informed by friends of his at the United States Attorney's Office that I was providing information concerning Mr. Gutlein's activities. Ms. Monte further informed me that I was going to be physically harmed. For these reasons, I have since taken up residence out of state.

8. I would be more than happy to cooperate with law enforcement officials in any manner concerning the information contained in the within Affidavit.

ALMA CAMERINA.

EXHIBIT 3

STATE OF NEW YORK,
County of Bronx, ss:

Raul Anglada, being duly sworn, deposes and says:

1. I am a Detective currently employed by the New York City Police Department.

2. I am currently assigned to the 40th Precinct Detective Squad located at 257 Alexander Avenue, Bronx, New York.

3. In or about August to September 1989, while I was assigned to the 34th Precinct, I accompanied an Informant named Alma Camerina to the Office of the United States Attorney for the Southern District of New York.

4. At that time, we met with Assistant United States Attorney Jeh Johnson. Ms. Camerina informed Mr. Johnson that she had overheard a conversation between Mr. Aranda and Jorge Gutlein.

5. Mr. Aranda and Mr. Gutlein, according to Ms. Camerina, were talking about setting up Joseph Occhipinti.

6. I also wish to state that I can confirm that Project Bodega arose from the Freddy Then prosecution. During the course of my official duties, I accompanied Mr. Occhipinti on several visits to bodegas. I never observed Mr. Occhipinti do anything which was either illegal or improper.

7. Approximately one (1) year ago, I was interviewed by an FBI Agent named Lionel Barron. Mr. Barron advised me that he was conducting an informal investigation into allegations that Mr. Occhipinti was innocent of the charges that he had been convicted of. Subsequent to that time, I was never contacted by any Federal Official with reference to such an investigation. I do not know what resulted from Mr. Barron's investigation.

RAUL ANGLADA.

CELEBRATING GLENS FALLS, NY, IN WARREN COUNTY

HON. GERALD B.H. SOLOMON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, November 15, 1993

Mr. SOLOMON. Mr. Speaker, I live in a city, Glens Falls, NY, which for nearly 50 years has been known as "Hometown, USA." It is located in a region we all refer to, quite matter of factly, as "God's Country."

A visit to Warren County would reveal why we are so proud of the area. This year, Warren County is celebrating 180 years of existence, and it has been an interesting 180 years.

Warren County was formed by an act of legislature on March 12, 1813. The first sessions were held at Lake George, but in 1815, James Caldwell donated property along the lakeshore for a permanent headquarters. The first courthouse was built in 1817 and functioned until destroyed in an 1843 fire. It was replaced by a brick structure which remains as an architectural landmark to this day.

The county itself is named for Revolutionary War hero Joseph Warren. Bloody colonial warfare gave way to settlements and communities that persevered through the hardships and eventually prospered. The 19th century and its technological innovations led to an economic boom based on lumber and other natural resources. As the population swelled, tourism also emerged as an important industry.

But this growth made all too obvious the need for expanded county facilities. After years of debate and study, the Warren County Municipal Center opened on the 150th anniversary of the county. The modern complex, located between Lake George and Glens Falls, houses all government services with the exception of the highway department and infirmary.

The exterior has changed little in the last 30 years, but the interior has undergone significant renovations to allow the country government to grow with the times.

Warren County also has changed, but the influx of new industry has not substantially altered the picturesque scenery and attraction to tourists. The municipal center will remain a symbol of the determination to meet the future while preserving the essential character of Warren County.

This Friday, November 19, 1993, Warren County will rededicate the municipal center. Mr. Speaker, I ask all Members to join me in saluting both Warren County and the farsighted supervisor of her 11 towns.

TRIBUTE TO THE LITERACY COUNCIL OF MONTGOMERY COUNTY, MD

HON. CONSTANCE A. MORELLA

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, November 15, 1993

Mrs. MORELLA. Mr. Speaker, I rise to pay tribute to the Literacy Council of Montgomery County, MD, on the occasion of its 30th anniversary on November 13, 1993. The literacy council was founded by Mrs. Beth Kilgore, and is a nonprofit organization supported by public funds and private contributions.

Since the council's inception in 1963, the volunteer tutors have taught approximately 7,000 illiterate adults to read, write, and speak English. Dedicated volunteers act as administrators, office workers, speakers, and fundraisers, as well as tutors, and devote about 40,000 hours per year to the battle against illiteracy.

The literacy council has two primary programs: Basic literacy, for English-speaking adults who have failed or have not had the opportunity to learn to read and write; and English as a second language, for foreign-born adults who need to learn English. At any given time, the council has about 800 students and about 625 tutors participating in these programs.

The socioeconomic rewards of the services provided by the literacy council are invaluable. Newly literate adults become more involved and effective parents, encouraging their children to aspire to more promising lives. Literacy skills enable these adults to acquire jobs

and become productive members of society. For example, the ability to read a want ad in the newspaper or the danger signs at a railroad crossing is vital.

Mr. Speaker, I congratulate the Literacy Council of Montgomery County, MD, for 30 years of dedicated service to our community. It is a proud moment for me to pay tribute to the winning combination of staff, volunteers, and students of the council who have devoted their time and their energies to wiping out illiteracy in our Nation.

LONG DISTANCE: PUBLIC BENEFITS FROM INCREASED COMPETITION

HON. JOHN BRYANT

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, November 15, 1993

Mr. BRYANT. Mr. Speaker, we are in the midst of an information revolution which is changing the way Americans live, learn, work, and play.

As we seek to promote this whirlwind of future technological change, it is useful to look to the past as prolog. It was not that long ago when all Americans used black rotary dial telephones and heard echoes and static, or experienced other technical problems during their conversations. Long-distance telephone calls for most households were a major budget expense and placed only on special occasions.

Business used long distance only where there was an immediate need to communicate and where a letter or a face-to-face meeting was out of the question. That was how we communicated in an era when the Nation's telecommunications system did not provide that one key ingredient identified the world over with American life: choice.

Not that long ago, we did not have choices to serve our telecommunications needs. Today, with the advent of competition in manufacturing and long-distance—mostly as a result of the divestiture of AT&T in 1984—we have choices in most of our telecommunications markets, and in those where choice exists, things are markedly different.

Generally speaking, the only area where consumers do not have choice is in local exchange service. The cost of a long-distance telephone call has plummeted, and calls to friends or family members living across the country or around the globe are as clear as calls made to a neighbor down the street.

The dramatic technological and marketplace changes and the benefits competition has brought cannot be taken for granted.

The long-distance market, with the breakup of the old Ma Bell System, moved from a highly regulated monopoly to a market with active and aggressive competition among numerous service providers. As long-distance competition has intensified, significant benefits have been produced for both business and residential customers—sharply lower prices, greatly improved quality and an unparalleled diversity of product choices.

These benefits are now so commonplace, that we have forgotten just how hard won they were. There are some who would have us ignore all of these consumer gains in order to again permit local telephone monopolies to participate in the competitive long distance marketplace.

This argument is premised on the notion that competition does not really exist in the long-distance industry and that the entry of the Bell telephone companies into the competitive long-distance marketplace will drive prices down and result in thousands of new jobs.

Robert E. Hall, a professor of economics at Stanford University and a senior fellow at the Hoover Institution takes these misguided arguments head on in his recently published study, "Long Distance: Public Benefits From Increased Competition."

The study reports that: "The performance of the industry in the past decade has been a clear success, with substantial declines in prices relative to other products and the rapid development and dissemination of advanced technologies by the competitive long-distance carriers." It concludes further that: "The divestiture of AT&T and the opening of the long distance market to effective competition have produced a vibrant, successful long-distance industry in the United States."

According to the Hall study, consumers have benefited from long-distance competition in the following ways:

Prices have plummeted. Since 1985, real long-distance prices have fallen by 63 percent. Net of access charges paid to local telephone companies, the revenue per minute of the three largest long-distance carriers fell by 66 percent between 1985 and 1992 after adjustment for inflation.

Quality has improved dramatically. Reductions in noise, cross-talk, echoes, and dropped calls have made the usefulness of 1 minute of telephone conversation rise at the same time that the price of that minute has fallen.

New technology has been deployed at an unprecedented pace. Fiber optics now carry the bulk of long-distance traffic, at lower cost and higher quality than earlier technologies. The transmission speed of state-of-the-art fiber optic cable has doubled every 3 or 4 years. Total fiber-miles of U.S. long-distance carriers rose from 456,000 in 1985 to 2.4 million in 1992, of which less than half is owned by AT&T. In addition, long-distance carriers have led the way in digital switching and common channel signaling.

The industry has created new innovative long-distance services to improve the efficiency of communication for consumers and businesses, large and small.

Concluding that long distance competition is working, the Hall study asserts that structural separation of local and long-distance service is economically efficient. It warns that joint control of local and long-distance service by the Regional Bell operating companies [RBOCs] will compromise the existing conditions for effective competition among long-distance carriers.

Competition in the long-distance industry succeeded because the AT&T consent decree separated the local telephone monopoly from the competitive long distance market.

The local telephone companies still maintain their monopoly, bottleneck control over transmission facilities in the local exchange, despite all their protestations to the contrary.

The Hall study reaffirms what should have been perfectly obvious from the start—competition works in telecommunications markets. We would do well to remember this conclusion as we usher in the Information Age, because it directs our attention to where our principal focus should be in this debate—how to make local monopoly markets competitive and not how to make competitive markets less so.

TRIBUTE TO TH PRODUCTIONS OF ATLANTA, GA

HON. JOHN LEWIS

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, November 15, 1993

Mr. LEWIS of Georgia. Mr. Speaker, I rise today to pay tribute to one of the most dynamic music production teams around. These two producers are about to take the industry by storm.

I–ROCC and EZ–Tee, better known as TH Productions, are the talented Atlanta-based duo to which I am referring. TH Productions' credits include working with Keith Sweat to cowrite and produce the tunes for Silk's smash debut album. They also had the honor of coproducing the theme song for Atlanta's Olympic dream team.

What makes TH Productions so different from other production teams is the unique flavor they bring to all of their artists. With the capacity to give each group its own sound, the possibilities for them are endless.

The two partners moved to Atlanta about 6 years ago, while playing in a band called Heart to Heart. Through the band, they met Keith Sweat and began working on various projects with him. I–ROCC and EZ–Tee both live in metropolitan Atlanta and do much of their production work in an in-house studio there.

As for their other projects—expect the unexpected. These gifted producers can put out everything from rap to alluring ballads. Get ready for the next mega-producing team in Atlanta—TH Productions.

PRO-NAFTA, PRO-JOBS

HON. RON PACKARD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, November 15, 1993

Mr. PACKARD. NAFTA, a free trade initiative, is a basic issue. It offers economic opportunities which will stimulate economic growth and create jobs in the United States. America will be better off under the North American Free-Trade Agreement.

Exports is one sector of the U.S. economy that is booming. Time and time again, free trade has proven to be a winner. Pivotal border States like California have much to gain by increasing their current trade level with Mexico. NAFTA will create the world's largest free market, some 390 million consumers. The market is projected to have a total economic output of $6.5 trillion, far larger than the European Community or the Pacific rim.

NAFTA will increase trade by eliminating tariffs, and by doing so, the United States will be able to export their products easier. United States manufacturers will have more access to Mexican markets, and increased consumer demand means more jobs.

An old rule of thumb says that 19,000 American jobs are created by every $1 billion in exports. With this in mind, our current $40 billion-plus in sales annually to Mexico supports about 750,000 American jobs. Jobs associated with exports to Mexico are 12 percent higher than the average United States wage. In short, NAFTA will create more jobs at higher wages in the United States, and help create a stronger economic and political environment in Mexico.

NAFTA's enemies, labor leaders, demagogs and radical environmentalists are using scare tactics to drum up opposition among workers fearful of lost jobs. The most pervasive distortion is that NAFTA would cause a massive flight of America jobs and capital to Mexico, known as the "giant sucking sound". United States jobs are leaving the country because of current tariffs under the Mexican Government.

There is in fact nothing to stop United States corporations from moving their plants to Mexico now. NAFTA will not increase the attractiveness of the Mexican market. The economic reality, supported by study after study, is that NAFTA will increase the number of goods in route to be sold in Mexico. California can anticipate an economic growth due to lowered tariffs.

NAFTA has the potential to provide the momentum to vault Mexico ahead of Canada and even Japan as California's largest foreign market. Already, more than 70 percent of Mexico's merchandise imports come from north of the Rio Grande, and an astonishing two-thirds of that, or 25 billion dollars worth of goods a year, come from California and Texas. According to the California Office of Planning and Research, State exports to Mexico should more than double by the end of the decade, after having quadrupled in the past decade. The soaring trade will create an estimated 30,000 to 40,000 jobs.

The issue is whether neighboring counties can set aside their fears and prejudices long enough to make a deal that is sure to be a winner for all concerned. We must ask ourselves—are we going to compete and win or withdraw? For a nation that has further hope of prospering, the answer to that question is simple and straighforward. NAFTA will give us a strong foothold. It will make the United States more competitive, and more prosperous, in the global economy of the 21st century.

TAKE A SECOND LOOK AT H.R. 3400

HON. DAN ROSTENKOWSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, November 15, 1993

Mr. ROSTENKOWSKI. Mr. Speaker, the House of Representatives is scheduled to consider H.R. 3400, the Government Reform and Savings Act of 1993, on November 20, 1993. I urge my colleagues to think twice about the merits of this bill, and to take the time to understand exactly what is being proposed before voting aye or nay.

H.R. 3400 has a laudatory goal—further deficit reduction. It was developed by the administration to help the House leadership deliver on a commitment to a number of our colleagues who, back in August, hesitated to support the budget reconciliation bill because they wanted more deficit reduction.

I agree that additional, responsible, deficit reduction is one of the best steps we can take to assure the long-term economic health of our country. I have made this point time and again—in speeches, by my votes on the floor, and in my committee. My views are no secret. My commitment to deficit reduction is clear. You all know that. And you know you can count on my vote—and my muscle—on any deficit reduction plan that makes sense.

Unfortunately, in my view, H.R. 3400, as introduced, just doesn't make sense. Not now. Not with these provisions. Not using this procedure. Let me explain why.

First, there are always complaints when we stray from regular order. The natural instinct to protect your turf always surfaces. Sometimes, however, we bypass normal procedure because time simply won't allow our normal deliberative process. That doesn't seem to be the case here. What's the urgency? Why now?

Other times, we resort to short cuts when it seems clear that the regular procedure won't produce the outcome that is desired. The greatest risks we run when we don't allow those among us with the expertise—be it in tax policy or rural water policy—to carefully consider the legislation before us are these: well meaning but poorly executed legislation, counterproductive and occasionally embarrassing policy, and shoddy law.

H.R. 3400 suffers from all of these problems. It was introduced on October 28, 1993 and referred to 17 committees of jurisdiction for 18 days—until November 15, 1993—in order to allow a House vote before we adjourn this session. When developed by the administration, this bill was estimated to save more than $10 billion, not a huge sum but deficit reduction, nonetheless. As is customary, the Congressional Budget Office is preparing its own estimate of the bill. Word is that they will conclude that H.R. 3400 will reap only a fraction of the savings predicted by OMB. As I said at the outset, I am all for responsible deficit reduction, but is it really worth enacting bad law for such a small contribution to a lower deficit?

H.R. 3400 is equally vulnerable to criticism on policy grounds. As introduced, it contains questionable debt management policy that will increase the deficit, undermine the debt management responsibilities of the Department of Treasury, and increase the potential risk of a future Federal bailout for Bonneville and other power administrations.

The bill also proposes a complete overhaul of the laws governing the relationship between the Medicare Program and the contractors that handle payment of claims and beneficiary inquiries. This despite an already low Medicare administrative cost and CBO's conclusion that changes—already underway—in electronic processing of claims will produce savings but that, in the near term, modifications to Medicare contracting rules will save nothing. And consider the disruption—to beneficiaries and providers alike—that would result from the changes in contracting.

H.R. 3400 contains a number of Social Security amendments, designed to save $700 million over 5 years. However, they fail to do so. For example, according to CBO, the proposed modifications for spending on continuing disability reviews won't actually result in more reviews being done, hence there will be no savings. Further, the debt collection provisions impose a heavy new burden on current Social Security beneficiaries and may release confidential IRS information to private debt collection agencies. That's something we ought to think quite carefully about before we grant such authority.

The bill also extends—to veterans programs—a troubling new data collection program just authorized in the Omnibus Budget Reconciliation Act of 1993. I am worried that this new program won't work and hesitate to add to its responsibilities before we have thoroughly tested it.

Mr. Speaker, the proponents of H.R. 3400 are well-intentioned but the bill as introduced won't achieve their goals. It won't produce real deficit reduction. But it will unnecessarily confuse and complicate our laws. We can and should do better than H.R. 3400 and I expect that process to begin again next year when the President submits his fiscal year 1995 budget to us. That is the appropriate forum for this debate.

For the benefit of all Members, the following is an analysis of the provisions of H.R. 3400 that are within the jurisdiction of the Committee on Ways and Means. Read it carefully. You may be surprised by what you learn. In tomorrow's CONGRESSIONAL RECORD I will share with you my analysis of the provisions of the Penny-Kasich amendment to H.R. 3400 which are within the jurisdiction of the Committee on Ways and Means. That amendment has even more troubling implications for our long-term economic performance, and health reform.

THE GOVERNMENT REFORM AND SAVINGS ACT OF 1993

H.R. 3400

ANALYSIS OF PROVISIONS

DEBT BUYOUT FOR BONNEVILLE POWER ADMINISTRATION

Section 4202 would authorize the Administrator of the Bonneville Power Administration to issue bonds and other instruments of indebtedness to raise funds to repay obligations to the Department of Treasury for the appropriated capital investment made in the Federal Columbia River Power System. This section gives broad authority to the Administrator to decide the terms and conditions for bond issuance: the form, the time of sale, the maturity periods, prices, yields, any discounts, etc. The provision states explicitly that the "full faith and credit of the United States" does not stand behind the Bonneville bonds.

The proceeds of the bond sales will be "transferred" to the Treasury as repayment for the amounts used originally and later borrowed from Treasury to build the Bonneville hydroelectric facilities. The calculation of the "transfer" amount would be based on the present value of the principle and interest owed (plus $100 million). This amounts to about $4 billion.

The current outstanding obligation is $6.6 billion. Bonneville Power has considerable flexibility in how it repays that debt to Treasury. All sums repaid come out of receipts from ratepayers for electricity purchased. Ratepayers pay considerably less for electricity from Bonneville Power than those who buy from private power plants because the government does not recoup its costs of providing the electricity, including the costs of the original capital investment. Several proposals have been advanced since 1980 to raise rates to electricity users, so that they will cover the costs of providing the electricity. These proposals have not met with success.

Analysis: This provision represents very unwise debt management policy and will increase the deficit, not reduce it.

First, the moral full faith and credit of the United States always stands behind debt issued by a federal agency. So, the statement in the bill that the bonds "are not secured by the full faith and credit of the United States" is not meaningful. That the government would default on any of its obligations, whether issued by Treasury or by another agency, is difficult to imagine. Therefore, allowing the Bonneville Power Administrator to issue bonds directly, instead of through the Department of Treasury, increases the potential risk of a future federal bailout.

Second, the statutory language gives very broad latitude to the Administrator of Bonneville Power. Because there are virtually no restrictions on the Administrator's actions, it is possible that sale of Bonneville Power bonds could conflict with the larger debt management plans of the Department of Treasury. Treasury is the federal agency charged with responsibility for issuing U.S. debt. Treasury decides on the terms and conditions of debt issuance, and does so in the context of managing all the nation's debt in such a way as to minimize the government's cost of borrowing. The Bonneville Administrator will not necessarily have the broader government-wide point of view of the Treasury Department. He will be allowed to make decisions that the full-time professional debt managers at Treasury may consider unwise. The Bonneville bonds will compete with Treasury bonds in the marketplace. This is simply not adequate debt management.

Third, this could also permanently waive the federal government's right to charge to recoup the remainder of its investment in Bonneville Power. Why should the government give up its option to raise the price of the power it sells in an attempt to break even? Requiring that payment of the "transfer" amount to Treasury means the "repayment obligation is fully and forever satisfied" makes no economic or financial sense.

Fourth, this debt buyout option will increase the deficit. Treasury debt is the least-cost method of borrowing available to the federal government. Agency debt is always more expensive. Thus, allowing the Bonneville Administrator to issue debt directly will result in higher government debt service costs. They will be approximately 50 basis points higher than Treasury rates. Additionally, Bonneville Power will have to contract with brokerage houses to sell the bonds in the market. This will cost the government more, as Bonneville Power will have to pay transactions fees to these investment houses for their underwriting services. For the $4 billion debt issuance contemplated by the bill, this will cost the government another $40 million.

Fifth, the American taxpayer will not benefit from this at all. Bonneville Power may benefit. The investment houses that underwrite the bond sales will certainly benefit from $40 million in transaction fees that the government will pay them. But, the American taxpayer will be worse off because the deficit will be higher.

Sound debt management requires that any refinancing of Bonneville debt be done through the Treasury Department so that it can be done in the context of all other federal debt issued and at the lowest cost.

DEBT BUYOUT FOR OTHER POWER ADMINISTRATIONS

Sections 4207–4210 would authorize the Administrators of the Southeastern, Southwestern, and Western Power Administration to issue bonds and other instruments of indebtedness to refinance existing debt. These sections give broad authority to the various Administrators to decide the terms and conditions for bond issuance: the form, the time of sale, the maturity periods, the prices, yields, any discounts, etc. The provision does state explicitly that the "full faith and credit of the United States" does not stand behind these bonds. These sections of the bill are very similar to the Bonneville Power Administration debt buyout provisions described above.

Analysis: Just like the Bonneville Power provision, these sections represent bad debt management and will increase the deficit.

The Congress has worked, in recent years, to consolidate the government's debt management efforts to produce better cost-efficiency and effectiveness. These provisions could undermine that effort.

In addition, all five flaws of the Bonneville debt buyout scheme apply here. The present value of the debt outstanding of these 3 power administrations is $3.4 billion. Thus, any underwriting fees paid to investment houses would increase the deficit by $34 million. In addition, these sections of the bill will create a Power Marketing Administration Sinking Fund, which makes the repayment of the bonds a direct spending account, scorable on the PAY-GO scorecard. Thus, this is another effect of the bill that increases the deficit.

CHANGES IN CONTRACTING FOR MEDICARE CLAIMS PROCESSING

Section 5001 makes a series of changes affecting the administration of the Medicare program. Subsections 5001(a) through 5001(e) would repeal the requirement that carriers be insurance companies, eliminate the ability of providers to nominate fiscal intermediaries, eliminate special provisions for termination of contracts, allow the Secretary to require that contractors match Medicare data with data on privately insured patients, and repeal requirements for cost reimbursement contracting. Subsection 5001(f) would abolish the authority of the Railroad Retirement Board (RRB) to contract with a separate Medicare carrier for railroad retirees.

Analysis: These provisions represent a complete overhaul of the contractor system which could impose hardship on beneficiaries without achieving meaningful savings. All the provisions are scored by CBO as zero savings, with the exception of the RRB provision, which has minimal associated savings.

These provisions represent a complete overhaul of the requirements governing the relationship between the Medicare program and the contractors that process claims, perform audits, and respond to inquiries from beneficiaries.

According to the Congressional Budget Office, these provisions would generate no savings to the Federal government other than minimal savings associated with the RRB provision. The larger savings the Administration associates with these provisions result only from the implementation of a new automated system for electronic processing of claims—a system that is under development and can go forward without any changes in the law.

While the Administration's proposal may be well-intentioned, it could lead to serious problems for seniors and providers. The proposal would give the Secretary broad authority to change Medicare contractors, to award contracts on the basis of the lowest bid, and to contract for claims processing services with organizations that have never before processed insurance claims.

Past experiences with similar approaches have led to massive confusion and disruption for Medicare beneficiaries and providers.

For example, in order to test the concept of competitive bidding for Medicare contracting, a demonstration program was established in Illinois in 1979. The contract was awarded to an organization that has no prior experience in processing claims.

A flood of complaints from Medicare beneficiaries and Medicare providers led to an investigation by the General Accounting Office. GAO found evidence of a claims backlog that reached 454,000 claims during the first 6 months of the contract. After two years in operation the contractor had failed 55 of 84 standards which Medicare contractors are required to meet.

A claims backlog of this magnitude directly affects senior citizens as well as hospitals, physicians and other health care providers. Many Medicare claims are still "unassigned", meaning that Medicare beneficiaries pay the bill and are reimbursed by Medicare. In the Illinois case, some seniors on limited fixed incomes had to wait many months before receiving payment and in some cases physicians used collection agencies to pursue them for payment.

One of the notable deficiencies was the contractor's lack of responsiveness to beneficiary inquiries, including what GAO referred to as "the use of ominous form letters to request information from beneficiaries".

In an April 1986 report, GAO reported that it took over two years to get performance under the Illinois contract to acceptable levels. According to GAO, the contractor "* * * made estimated payment errors of $67.6 million during the first two years of the contract and beneficiaries and providers had to devote considerable time and effort to obtain satisfactory settlement of their claims."

In conclusion, the GAO stated that "* * * a major change in the method of contracting used in the Medicare program is not justified because the competitive fixed-price experiments have not demonstrated any clear advantage over cost contracts presently used to administer the program. HHS' current authority, if properly used, allows for effective program management and provides sufficient opportunities to achieve greater administrative efficiencies."

The Medicare program already has low administrative costs. In 1994, CBO projects that spending on health care services under the Medicare program will total $169.7 billion. The fiscal year 1994 appropriations for contractors to administer the program is $3 billion, less than 2 percent of total program costs.

The most important focus of our efforts with respect to fiscal intermediaries and carriers should be to ensure that we provide the funds necessary to safeguard payments under

the program. The General Accounting Office has repeatedly recommended that funding for these efforts be increased. According to GAO, for every dollar we spend on improving payment safeguards, we can save ten taxpayer dollars in return on our investment.

Earlier this year, the House passed a provision to adjust the discretionary spending caps under the Budget Act to allow increased appropriations for payment safeguards. This would ensure that the Congress would not be discouraged or penalized under the budget process for appropriating funds on activities that will generate savings in the Medicare program. Unfortunately, that provision was not agreed to in conference due to procedural obstacles in the Senate.

The Administration believes the changes in section 5001 are needed in order to implement the new Medicare Transaction System [MTS] more efficiently. At best, this conclusion is premature. The contract for designing the MTS has yet to be awarded, and the system is years away from implementation.

Section 5001 (f) would repeal the authority of the Railroad Retirement Board to contract with a separate carrier to process Medicare claims for railroad retirees. This proposal has been rejected by the Congress in the past.

The Administration is proposing this change despite a complete lack of evidence that the current Medicare carrier for railroad retirees has failed to perform well either in terms of cost efficiency or beneficiary services. In fact, representatives of railroad retirees are very satisfied with the service provided by the current carrier. Moreover, changing from a single national carrier to 50 carriers throughout the country would be disruptive and would impose hardship on disabled and elderly railroad retirees.

WORKERS' COMPENSATION DATA PILOT PROJECT

Under Section 5101, the Social Security Administration would be authorized to establish pilot projects with up to three States under which workers' compensation payments would be reported to SSA directly by the State. Under current practice, SSA relies on disability beneficiaries to report their receipt of workers' compensation. Participating States would be reimbursed by SSA out of the Social Security trust fund for the costs of participation.

FEDERAL CLEARINGHOUSE ON DEATH INFORMATION

Section 5201 would amend the Social Security Act to expand the authority of the Secretary of Health and Human Services to negotiate contracts with States to obtain death information and disseminate this information to other Federal agencies. Currently, SSA receives death certificate information from States and matches the information against its benefit rolls to delete the names of deceased individuals. Thirty-four States have entered into restrictive contracts which prohibit SSA from sharing the collected death information with other Federal agencies. The Omnibus Budget Reconciliation Act of 1993 prohibited access to Federal tax return information under section 6103 of the Internal Revenue Code to any State that would not allow SSA to share its deaths information with other Federal agencies.

Two States were exempted from the OBRA requirements. The President's proposal would eliminate that exemption. In addition, the proposal would permit the Secretary of HHS to provide technical assistance on the effective collection, dissemination and use of death information to any Federal or State agency that provides Federally funded benefits.

Analysis: Any alteration of section 6103 of the Internal Revenue Code should be done by a direct amendment to that code section, and not be an amendment outside the code.

The provision seeks to overrule two specific provisions of section 6103 by amending the Social Security Act. That is inappropriate. While the proposal's effort to improve the OBRA provisions is laudatory, the provision is poorly drafted and needs revision.

EXPENDITURES FOR CONTINUING DISABILITY REVIEWS

Section 5301 would amend the Social Security Act to set a specified, minimum level of SSA administrative funds for performing continuing disability reviews [CDR's] of disability beneficiaries over the next 5 years. The mandated amounts would be $46 million in 1994, with an inflation-adjusted amount for years thereafter. The total amount for the 5-year period would be $295 million.

Analysis: This provision does not reduce the deficit as intended, and there are more effective ways to fund continuing disability reviews.

In principle, the President's objective of requiring more CDR's is a laudable one. Because of a shortage of administrative funding, SSA has fallen behind by more than 1 million reviews. The integrity of the disability program depends critically on assuring that benefit payments are ceased without delay when beneficiaries recover or return to substantial gainful work. The President is acting responsibly in insisting that continuing disability reviews be performed regularly.

However, there is a technical problem with this provision as it is now drafted. The Congressional Budget Office has concluded that it will not produce any savings about those that would occur under current law. Apparently, the administration has underestimated the costs of performing CDRs and, as a consequence, has earmarked too few administrative dollars to ensure the increase in CDR activity that it intends.

In addition, it is possible that the provision may drain essential resources away from the processing of disability applications. At present, there are large backlogs of disability cases at both the initial intake stage and the Office of Hearings and Appeals.

With more time to work on the legislation, a creative solution to this problem could be found—a solution that provides the increase in CDR activity that the President desires, without reducing funds for SSA's processing of initial disability applications. For example, some of the benefit savings from CDR's could be set aside in a special account to cover the administrative cost of more reviews the following year. This kind of approach makes sense. Unfortunately, the tight schedule for consideration of this bill made it impossible to develop a workable alternative.

HELIUM USER FEES AND MINERAL ROYALTIES

Sections 7001 and 7101 would give authority for the appropriate agencies to levy user charges and set up appropriate and efficient collection mechanisms to pay for the activities of the agencies.

Analysis: In order to ensure that these sections of the bill are true user fees and not taxes generating general revenue, these sections should be rewritten. We should ensure that transactions in which the Government will collect these fees and royalties are simply the economic equivalent of a normal market-based transaction among voluntary buyers and sellers, in which the benefits realized by those who purchase helium and mineral rights from the Government are approximately equal to the amount of fees and royalties they pay. This will make them true user fees and avoid additional general-revenue taxes.

USER FEES FOR HEALTH SERVICES

Section 8001 allows the Attorney General to charge nominal user fees of prisoners for medical care provided. The fee may be withheld from a prisoner's account without the prisoner's consent. The Attorney General may waive or refund the fee for good cause.

Analysis: This section of the bill is much too loosely written and does not ensure that this is simply a user fee. The language should be rewritten to do so. The criteria described above, under Helium Fees and Mineral Royalties, should be satisfied by tighter statutory design.

MEDICARE AND MEDICAID DATA BANK

Section 12201 would authorize the disclosure of health insurance information maintained by the new Medicare and Medicaid Data Bank to the Department of Veterans Affairs. The information would be used by the Department of Veterans Affairs to identify and collect reimbursements from private payers responsible for items and services provided to veterans.

OBRA '93 mandated that every employer that provides health benefits to its employees file information returns to the Secretary of Health and Human Services. The information to be filed includes: the name and taxpayer identification numbers of all participants, including dependents, covered under the employer's group health plan, the type of health plan elected by the employee, the period during which coverage is elected, and the name and taxpayer identification number of the employer.

The OBRA '93 requirement applies to health benefits provided beginning January 1, 1994, with the first filing occurring on February 28, 1995.

Analysis: The Medicare and Medicaid Data Bank established under OBRA 1993 imposed a significant, new administrative burden on employers that provide health insurance coverage to their employees. For the first time, employers will be required to file detailed information to the Secretary of HHS concerning coverage under their employer group health plan. Most employers do not currently collect the data required by OBRA '93, particularly with respect to the dependents of employees covered under the employer group health plan.

The provision of H.R. 3400 to extend the application of the Data Bank would also impose a new and burdensome requirement on the Health Care Financing Administration. The Health Care Financing Administration has been unable to begin implementation of the Data Bank, and has asked for additional resources to fund this new and vast data collection effort. This proposal to compound the requirements of the Data Bank, before it is actually up and running, is premature.

Further, this proposal would permit access to confidential employee health benefit data beyond the scope of health programs administered by HHS. Although OBRA '93 contains essential safeguards regarding disclosure and privacy rights that would carry over to the use of the data by the Department of Veterans' Affairs, it is unclear how such safeguards would be monitored.

Careful consideration should be given to the necessity and advisability of this Data

Bank within the context of health care reform. Few would dispute the importance of administrative simplifications as part of any health reform plan. As part of such a reform, many proposals, including the President's Health Security Act, would create a consolidated system to monitor health insurance coverage. If such a system is established, then this Data Bank will be unnecessary and should be repealed.

This provision was incorrectly included in title XII of the bill, rather than title V with other provisions that concern the Department of Health and Human Services. While the proposed changes would result in additional information provided to the Secretary of Veterans Affairs, the proposed change in law requires changes that affect responsibilities of the Secretary of HHS.

AUTHORITY TO INCREASE EFFICIENCY IN REPORTING TO CONGRESS

Section 15001 would allow the Director of the Office of Management and Budget [OMB] to make recommendations for consolidation, elimination, or adjustment in frequency and due dates of reports to Congress and its committees. OMB would have to consult with appropriate congressional committees before making these recommendations and would have to provide an individualized statement of the reasons that support each recommendation. The recommendations would take effect only if approved by law.

Analysis: Although section 15001 does strengthen the position of OMB over other agencies, the requirements that OMB must consult with appropriate committees, that OMB must provide reasons for each recommendation, and that the recommendations would not go into effect unless approved by law are important safeguards against the executive branch single-handedly doing away with reports of importance to Members of Congress. The statutory language should be tightened to clarify that "appropriate Committees" means those Committees that requested or mandated the reports, and to clarify further that any law making changes to a report based on OMB recommendations would have to be referred to the Committee that originally requested the report. It would be even more effective for Congress and the Administration to work together to identify overdue and obsolete studies and reports that could be stricken from current law.

DEBT COLLECTION REVOLVING FUND

Section 16501 provides authority for appropriations for agencies to enhance debt collection activity by allowing agencies to retain a specified percentage of the amount of delinquent debt collected.

Analysis: The provision requires careful review to determine its impact on individual Federal agencies.

This measure would affect several agencies under the jurisdiction of the Committee. Given time limitations, the impact of the provision on debt collection by each of the departments and agencies under the Committee's jurisdiction cannot be determined.

DEBT COLLECTION AGAINST CURRENT AND FORMER SOCIAL SECURITY BENEFICIARIES

Section 16502 applies the requirements of the Federal debt collection law to Social Security benefits. Under the proposal, the Secretary of Health and Human Services would be required to assess interest and penalties against individuals who have been overpaid by SSA. In addition, the proposal would permit the Secretary to report delinquent debtors to private credit bureaus and would authorize contracts with private collection agencies to collect outstanding debt. Finally, it would require the Secretary to report to OMB on the status of its receivables and would authorize other Federal agencies to use administrative offset procedures to collect other Federal debt from Social Security benefits. These provisions of the debt collection law would apply to both current and former Social Security beneficiaries, with the exception of the provision authorizing the use of private collection agencies, which would apply only to former Social Security beneficiaries.

Analysis: The provision should not apply to current Social Security beneficiaries. The provision places an unconscionable burden—in the form of interest and penalties—on a group of people who may be living on limited income and who may have incurred the debt through no fault of their own. Moreover, SSA can already deduct any debts directly from the beneficiary's check.

There are several problems with the proposal. First, in many cases, overpayments of Social Security benefits result from errors made through no fault of the beneficiary. Some are errors made by SSA—such as the miscalculation of benefits. Some errors result from beneficiaries' misunderstanding of complicated eligibility rules. The majority of errors result from the operation of the Social Security retirement test. Under that test, beneficiaries are asked to estimate annually the level of their earnings for the upcoming year. Because of the near impossibility of predicting exact earnings in advance, thousands of beneficiaries receive overpayments each year through no fault of their own.

Second, many Social Security beneficiaries are living on limited incomes. Penalties and interest would add to their financial insecurity. Moreover, while the provision requires beneficiaries to pay interest if the government has paid the beneficiary too much, it does not require the government to pay interest if the government has paid the beneficiary too little.

Finally, SSA already has the authority to collect debt owed by a current beneficiary from the beneficiary's monthly check. The proposal is, therefore, redundant.

NOTIFICATION TO AGENCIES OF DEBTORS' MAILING ADDRESSES

Section 16503 would amend Title 31 of the U.S. Code to provide that certain Federal agencies in the refund offset program may obtain and use the mailing address of a delinquent debtor. Such address may be used for Federal-agency administered debt collection purposes, including referral of the debt to the Justice Department for litigation. The statutory amendment includes the following off-Code amendment to IRC section 6103: "Provision of this information is authorized by section 6103(m)(2) of the Internal Revenue Code."

Analysis: Any alteration of section 6103 of the Internal Revenue Code should be done by a direct amendment to that Code section, and not by an off-Code amendment. The Congress should also make sure that no tax return information is funneled to private collection agencies or any other private parties under this provision.

HONORING THE ASSOCIATION OF RIVERDALE COOPERATIVES

HON. ELIOT L. ENGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, November 15, 1993

Mr. ENGEL. Mr. Speaker, the neighborhood of Riverdale in my congressional district remains one of the most vibrant and viable areas of New York City, mainly because of the dedicated residents who remain involved in their community. Ten years ago, a small group of these residents formed the Association of Riverdale Cooperatives, and I rise today to congratulate them for a decade of positive activity.

Ted Procas, the group's president, and Assemblyman Oliver Koppell started ARC with 10 member buildings in 1983 to address concerns associated with major conversions from rental to co-op units. Today, ARC encompasses 55 buildings, representing some 20,000 residents and $370 million in assets.

ARC has held more than 75 seminars on topics as diverse as controlling fixed and variable costs to instituting recycling programs. It acts as the facilitator of important information among building managers, board members, and tenants. The group has been helpful to me by providing evidence in support of eliminating tax liabilities on reserve funds, as well as other important housing finance issues.

ARC provides a common thread that connects the residents of cooperatives and condominiums in Riverdale. This contributes greatly to the stability of the neighborhood, an accomplishment for which the leaders and members of ARC should be thanked and commended.

NAFTA WILL BENEFIT CHEMICAL, TELECOMMUNICATIONS INDUSTRIES

HON. MICHAEL A. ANDREWS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, November 15, 1993

Mr. ANDREWS of Texas. Mr. Speaker, too much of what we have heard about NAFTA has been based on unjustified fear, rather than on rigorous economic analysis. Just last month the Congressional Budget Office reconfirmed the previous work by the International Trade Commission demonstrating that NAFTA will benefit U.S. workers and consumers. Superb examples of the agreement's potential benefits can be seen in the U.S. chemical and telecommunications industries. These diverse industries, which employ millions of Americans, will be among the many industries which will flourish under NAFTA.

CHEMICALS

The U.S. chemical industry is one of the most competitive industries in the world, and it boasts some of the most impressive statistics among U.S. industry. More than 1 million Americans are employed in the chemical industry, producing nearly 2 percent of our gross domestic product. Production workers in this industry earn wages one-third above the

U.S. average. The industry's investments in R&D, plant, and equipment reach new highs every year and totaled $37 billion in 1992.

As the Nation's largest exporter, the chemical industry accounts for 10 percent of total exports of manufactured goods, amassing a major trade surplus every year. Exports to Canada and Mexico are one-quarter of the industry's total, and chemical exports to our immediate neighbors create roughly 38,000 U.S. chemical industry jobs. On the reverse side of the equation, imports from Mexico are well under 1 percent of the United States market; Canadian imports are only 1.8 percent of the domestic market.

Under NAFTA, over two-thirds of Mexico's average 9 percent chemical duties will be immediately removed. The remaining tariffs will be removed over 10 years. Mexico's primary and secondary petrochemical markets, currently closed to United States companies, will be fully opened with very few exceptions. The International Trade Commission expects that under NAFTA chemical exports to Mexico will grow eight times as much as imports from Mexico.

The chemical industry expects that NAFTA will generate an additional $1.3 billion in exports to Mexico by the end of this decade. This will create roughly 5,800 additional U.S. chemical industry jobs, which in turn will lead to the creation of 6,400 jobs in other U.S. industries. NAFTA will clearly be a boon for this already prospering industry.

TELECOMMUNICATIONS

NAFTA will open Mexico's $6 billion telecommunications market to U.S. firms offering everything from central office equipment and voice mail to private networks and data processing. Our telecommunications industry is the world leader; like the chemicals industry, it provides millions of Americans with well-paying jobs. NAFTA will help this key industry compete more effectively and grow even stronger.

NAFTA calls for the quick phaseout of most trade investment barriers affecting telecommunications goods and services. Mexico will be obligated to remove tariffs, which average 10 percent for manufactured goods. In return, the United States will remove its tariffs on Mexican goods, which average 4 percent. This will provide U.S. telecommunications equipment manufacturers with a competitive edge in a market historically considered a European stronghold. The majority of Mexico's tariff and nontariff barriers on telecommunications equipment will be eliminated immediately, including those on private branch exchanges, cellular systems, satellite transmission and Earth station equipment, and fiber-optic transmission systems. Tariffs on central office switches, now at 20 percent, will be phased out over 5 years, making Mexico's telecommunications equipment market, estimated to exceed $1 billion in 1992, more accessible to United States companies.

Providers of enhanced services—such as voice mail, electronic mail, data transmission, remote data processing, private networks, and database services—also will benefit greatly from NAFTA. These services are critical to efficient business operations, regardless of location. Under NAFTA, all restrictions on providing these services are lifted, and providers of enhanced services can serve the growing Mexican market from databases located in the United States. The cross-border enhanced services market is currently worth more than $27 million annually; the U.S. Department of Commerce expects that NAFTA will push the market past the $100 million mark by 1995.

Long distance companies like AT&T and MCI will also benefit greatly from the tremendous increase in traffic—voice, data, and video—between Canada, Mexico, and the United States. Moreover, local exchange companies in all three countries will benefit from additional network-access revenues.

The Mexican market for telecommunications is already booming. In the past 2½ years, Telmex, the national phone company that was privatized in 1990, has added more than 1.7 million new customers, replaced nearly a million antiquated lines, and installed 64,000 pay phones. In the next 3 years, Telmex will install 132 digital central office switches to handle the Mexican market's increased demand for quality service. This is clearly a golden opportunity for the U.S. telecommunications industry.

As you can see, a careful analysis shows that NAFTA will increase the competitiveness of and create jobs in these important U.S. industries. I hope that as my colleagues consider the facts about the agreement, they will come to share the view that NAFTA is clearly in the best interest of our country.

HOUSE JOINT RESOLUTION 292, THE INTRODUCTION OF NUCLEAR NONPROLIFERATION IN KOREA RESOLUTION

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, November 15, 1993

Mr. GILMAN. Mr. Speaker, North Korea's relentless effort to develop a nuclear bomb has reached crisis proportions. Director of Central Intelligence R. James Woolsey testified before Congress earlier this year that North Korea is the most urgent threat to our national security in East Asia, that there is a real possibility that North Korea has produced enough nuclear material to build at least one bomb, and that possession by North Korea of such a bomb would threaten United States allies in all of Asia as well as United States forces in the region.

The administration has acknowledged the seriousness of the threat, but so far has been unable to persuade North Korea to permit fullscope inspections by the International Atomic Energy Agency of all suspected nuclear weapons sites. Without such inspections, there can be no assurance that North Korea is not continuing to produce nuclear material, much less that it is not using the material it already has to build a bomb.

The administration has indicated that it is prepared to take stronger measures if North Korea does not promptly comply with its obligation as a party to the Nuclear Nonproliferation Treaty to permit fullscope inspections. Most discussion of stronger measures focuses on the possibility of a U.N.-imposed embargo. The President has recently refused, however, to rule out the possibility of military action.

To underscore Congress' concern about this matter, I am today introducing the nuclear nonproliferation in Korea resolution. My resolution expresses Congress' approval and support for the steps at the administration has taken to date. Further, it approves and encourages the use by the President of any additional means necessary and appropriate, including diplomacy, economic sanctions, a blockade, and military force, to prevent the development, acquisition, or use by North Korea of a nuclear explosive device.

Approving use by the President of all means necessary and appropriate to prevent North Korea from obtaining nuclear weapons, including military force, is a step that Congress cannot take lightly. But neither can the threat posed by North Korea's determination to obtain nuclear weapons be taken lightly. I believe my resolution is a response commensurate to the threat.

In introducing my resolution, I do not express an opinion as to whether it would be appropriate at this time for the President to employ any of the means to which it refers. Indeed, I understand that there is a serious question whether some of those means, particularly military force, would be effective now or at any time in the future. My resolution defers to the President regarding which means are necessary and appropriate to prevent North Korea from obtaining a nuclear weapon. It is intended to make clear that he will have the support of Congress for any necessary and appropriate measures that he employs.

Last week the House of Representatives debated the question of when United States forces should be withdrawn from Somalia. It was repeatedly argued during that debate that Congress should not call upon the President to withdraw United States forces from Somalia because the regime in North Korea might misinterpret such action to mean that Congress will not support the administration's efforts to prevent nuclear proliferation in Korea.

Nothing could be further from the truth. Congress' concerns about open-ended United States involvement in Somalia have nothing to do with the situation in Korea, or anyplace else in the world where vital United States interests are threatened. It is precisely because the United States has no vital interests in Somalia that so many Members of Congress have pushed for the prompt withdrawal of United States forces from that country. Where vital U.S. interests are threatened, however, I am confident that a large majority of Members will support appropriate U.S. action.

There should be no doubt about this anywhere in the world. Enactment of my resolution will ensure that there is no doubt about it in North Korea.

NAFTA: ANOTHER VICTORY FOR CHARLES DARWIN

HON. DAVID R. OBEY

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, November 15, 1993

Mr. OBEY. Mr. Speaker, before members consider a vote for NAFTA, I hope they will

read the following article which appeared in Sunday's New York Times by Jonathan Schlefer, a former editor of Technology Review, who is presently doing research on NAFTA at MIT.

[From the New York Times, Nov. 14, 1993]

HISTORY COUNSELS "NO" ON NAFTA

(By Jonathan Schlefer)

In their votes on the North American Free Trade Agreement this week, many members of Congress think they must take a stand for or against free trade. Nothing could sound more obvious and yet be more wrong.

While free trade could benefit North America, the specific provisions in the fat volumes of the treaty before Congress raise serious threats to society and should be defeated. A look at social struggles in the late 19th and early 20th centuries suggests why.

For most of the 19th century, capitalism was vibrant and wholly unregulated. Growth was tremendous, but there was no protection for labor, health or the environment. As companies competed through lower costs, the result was Dickensian working conditions, child labor, poisoned air and bad food. With the advent of the steamship and the railroad, global competition grew particularly fierce, and social conditions worsened.

Something had to give. But what? To require companies to hew to rules protecting workers and the environment would also hobble international competitiveness. To neglect regulation would preserve competitiveness, but would make the world filthy and impoverish the working class.

Finally, beginning in the 1870's in Europe and a generation later in the United States, a policy began to take shape. Advanced nations gradually imposed laws to improve working conditions and to protect consumers from bad food and drugs. Unions were authorized and the foundations of the welfare state were laid.

But, at the same time, tariffs were raised to shield companies from low-cost foreign competitors who did not have to follow such costly rules. Indirectly, the tariffs protected the social regulations as well, for without tariffs domestic pressure to weaken the regulations would have grown.

This tariff strategy made such sense that virtually all advanced nations employed it.

Of course, labor, health and environmental regulations are also the subjects of the "side" agreements upon which NAFTA's fortunes may hinge in Congress. Tariffs—the 19th-century solution to the competition-or-regulation conundrum—are unavailable for NAFTA because it is a trade treaty that removes tariffs. So, NAFTA uses side agreements instead.

Specifically, the side agreements seek to insure that the three members—Canada, Mexico and the United States—follow their own regulations. This national focus is troubling, because regulations are uneven continentwide and particularly lax in Mexico. It creates an obvious incentive for companies to take advantage of national differences.

This incentive will be greatly strengthened by Nafta's property-rights provisions. Little-reported and of unprecedented scope, these provisions will make capital much more mobile continentwide and will turn Nafta into something far broader than a treaty on trade.

Traditionally, Mexico has not defined property rights in the same way as the United States. When peasants demanded land after the Mexican Revolution, for example, the state simply confiscated vast (though poor) areas for them. For decades, too, the Government controlled steel prices by setting them at its own mills. And during a financial crisis in the 1980's, the Government just took over the banks.

Foreign companies were treated similarly. They had to obey detailed Governmental "performance requirements"—what inputs to buy locally, how much to export, how much to manufacture. Nor was expropriation impossible.

Mexico's President, Carlos Salinas de Gortari, has deepened Mexico's deference to property rights. But as Nafta loomed, American corporations and investors wanted more. They knew that what Mr. Salinas could do, his successors could undo. So they exerted pressure on Mexico to guarantee American-style property rights.

The efforts succeeded. Under Nafta, if a signatory country confiscates a business, imposes performance requirements or violates property rights in other ways, the owners can appeal to an international tribunal for damages. Nafta even requires Mexico to adopt an American-style legal system to enforce intellectual-property rights. And if Mexico's state enterprises engage in anti-competitive behavior, the tribunal can order the Government to cease or face hefty trade sanctions.

In short, Nafta's property rules are so strong that its label—a trade agreement—is a misnomer. While it will raze trade barriers, Nafta does much more. It extends United States property rights continentwide. Under Nafta, investors can move almost as freely and as confidently from the United States to Mexico as from Ohio to Kentucky.

By easing capital movements, these property rules enable investors to avoid meaningful labor and environmental regulation, if possible. And it is possible, for the Nafta side agreements to apply weak enforcement rules to a region where the strength of such regulation is uneven.

The Heritage Foundation's Wesley R. Smith says the agreements have "little more than vague language" and set up commissions "with little or no power of enforcement." He opposes the agreements—but is unconcerned because "they are largely meaningless."

Unlike Nafta's property provisions, the side agreements have weak enforcement mechanisms. For example, a nation cannot be attacked for one failure to enforce its laws; only a "persistent pattern" of non-enforcement can be disputed.

What's more, only Governments, not private parties, can dispute another Government's nonenforcement under Nafta. If a Nafta panel does find nonenforcement, the offending Government must devise an "action plan" to mend its ways—a potentially noncommittal exercise. And if the offender cannot manage that much, it is fined up to $20 million—a piddling sum even for Mexico.

Of course, these weaknesses would not matter if there were strong social regulations throughout North America. But there aren't. All three nations have serious lapses—the Los Angeles area has only 30 Federal workplace inspectors, for example—but the Mexican lapses are particularly grave.

Lilia Albert, a Mexican toxicologist, estimates that about 99 percent of her country's hazardous wastes are "stored or buried as company sites, taken to municipal landfills, burned clandestinely, dumped into urban waste-water systems, or illegally buried." These estimates are rough—in part because Mexican environmentalists have no legal right to information.

Labor protections are also scanty. With few exceptions, Mexican unions are part of the ruling party. Repeatedly, the main union congress has helped fire local labor leaders who sought to improve wages and working conditions. Strikers have often been beaten and shot.

Imagine an American company in the post-Nafta world. It is struggling to pay good wages and to buy legally required pollution equipment. Wouldn't it want to move south? A 1992 Roper poll of 455 executives found that 40 percent were "likely or somewhat likely" to move some manufacturing to Mexico after Nafta. And wouldn't pressure grow in America to cut wages and to ignore costly rules?

These were the kinds of questions industrial nations faced in the late 19th and early 20th centuries. Their answer—the tariff—is unavailable today, but it is still an instructive guide. What did the tariff do? It turned the nation into a distinct economic unit that could establish social regulations and also shield its companies from their unregulated competitors.

Under Nafta—particularly given its unprecedented strong property rules—the economic unit is the North American continent. With no continental tariff barriers, social regulations can only be effective if they extend throughout this unit. For Mexico, Canada and the United States to have different labor and environmental rules is as nonsensical as if half the United States regulated air pollution, and half did not.

TRIBUTE TO BLANCHE E. FRASER

HON. DAVID E. BONIOR

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, November 15, 1993

Mr. BONIOR. Mr. Speaker, I rise today to pay tribute to Blanche Fraser, superintendent of the Mount Clemens school district. Blanche is being honored by the Daughters of Isabella at a testimonial-roast on Wednesday, December 1.

Taking an active role in our community is a responsibility we all share, but few fulfill. Blanche has devoted herself to this task as a educator and administrator for many years. Her dedication and professionalism have earned her respect and recognition. She has received numerous awards, most recently being named the 1992 Michigan Superintendent of the Year.

Each year the honoree of the Daughters of Isabella testimonial-roast selects a charity to receive proceeds from the dinner. This year the recipient is the Mount Clemens Schools Education Foundation. Because of the generosity of the organizers and the honoree, this event will help improve education in our community. I applaud their efforts to make Mount Clemens a better place for all of us to live.

On this special occasion, I am pleased to pay tribute to both Dr. Fraser and the Daughters of Isabella. I ask that my colleagues join me in saluting the accomplishments of Blanche Fraser and the Daughters of Isabella. May they continue to prosper and promote education in our community.

THE FIL-AM IMAGE MAGAZINE HONORS 20 OUTSTANDING FILIPINO-AMERICANS

HON. LUCIEN E. BLACKWELL

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, November 15, 1993

Mr. BLACKWELL. Mr. Speaker, on Saturday, November 13, 1993, the Filipino-American magazine, Fil-Am Image, will host its fourth annual dinner in honor of outstanding Filipino-Americans in the United States and Guam. The editor and publisher of the magazine, Nonoy Mendoza, has worked tirelessly, together with his wife, Aida and three daughters, Rochelle, Roxanne, and Rhonda to make this important event possible.

The dinner will take place at the Renaissance Hotel at Tech World, in Washington, DC, and will begin at 7 p.m., sharp. This fourth annual dinner caps a weekend of activities for the honorees that began on Thursday, November 11, 1993, with their arrival in Washington, DC and has included a congressional luncheon, a reception at the Philippine Embassy, and a guided tour of the White House.

The honorees form an impressive group of individuals from across the United States and include one person from Guam. In alphabetical order, the honorees are: Ms. Laureana Abano of Piscataway, NJ; Ms. Vi Baluyot of Silver Spring, MD; Dr. Carlos Borromeo of Merchantville, NJ; Ms. Gene Canquel-Liddell of Lacey, Washington; Dr. Ulysses M. Carbajal of Azusa, CA; Attorney Juan G. Collas, Jr. of San Francisco, CA; Dr. Eduardo R. Del Rosario of Tamuning, Guam; Mr. Raoul Donato of Atlanta, GA; Mr. Cipriano L. Espina, Jr. of New Orleans, LA; Dr. Enrico Garcia of Terre Haute, IN; Attorney Thelma G. Buchholdt of Anchorage, AK; Dr. Manny Hipol of Virginia Beach, VA: Dr. Nacianceno T. Largoza of Philadelphia, Pennsylvania; Dr. Edith Milan-Hipol of Briarwood, NY; Ms. Luisita Nillas of Brooklyn, New York; Dr. Ben Oteyza of Bel Air, MD; Mr. Leo Pastor of San Diego, CA; Attorney Rodel Rodis of San Francisco, CA; Ms. Sally S. Siroy of Shelbyville, IL; Dr. Victor Vitug of Cleveland, OH; and, last, but not least, a member of my own staff, Mr. Fred Parawan of Philadelphia, PA.

These 20 outstanding individuals join 60 others who have been honored by the Fil-Am Image magazine since 1990. It is fitting that we honor those who come from a nation that has a 100-year history of alliance and cooperation with the United States. The Philippines is a nation that has worked in partnership with our Nation for more than a century.

Few Americans are aware that within 2 hours of the bombing of Pearl Harbor, locations in the Philippines were also bombed. Filipino soldiers fought and died, side by side with American soldiers under the command of Gen. Douglas MacArthur. Following the war, the Rescission Act of 1946 became law. That act contained a rider which expressly barred Filipino veterans from all rights, privileges, and benefits under the GI Bill of Rights, thus creating an unequal system for Filipino World War II veterans. That is why I introduced legislation to establish a commission to review and correct this system, and I will not surrender until that legislation becomes law.

Similarly, Mr. Speaker, the withdrawal of United States military forces from the Philippines left in its wake thousands of impoverished children who are half American. These abandoned and neglected Amerasian children lack real hope for the future without our intervention. On October 22, 1982, Public Law 97–359, known as the Amerasian Immigration Act of 1982, was approved, allowing children of American servicemen known as Amerasians, from Thailand, Korea, Vietnam, Laos, and Cambodia to emigrate to the United States in the care of financially responsible American families. Philippine Amerasians, however, like Philippine World War II veterans were excluded from the law. That is why I introduced H.R. 2429, which will amend the Amerasian Immigration Act of 1982, to provide preferential treatment in the admission process to the United States for those Filipino Amerasian children who choose to take advantage of it.

Filipinos should not be treated differently than others. They have proven themselves to be loyal to the United States and, as evidenced by those who have been honored and will be honored on Saturday night, they have made and are making significant contributions to the fabric of our Nation. I invite my colleagues to join with me in saluting this year's 20 outstanding Filipino-Americans and in applauding Mr. Nonoy Mendoza of the Fil-Am Image magazine for his dedication and commitment to this vital cause.

HELP HONOR AMERICAN HERO CAPT. FRANCIS GARY POWERS

HON. JAMES P. MORAN

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, November 15, 1993

Mr. MORAN. Mr. Speaker, I rise today to ask for my colleagues' support in honoring Capt. Francis Gary Powers and his historic flight into the Soviet Union with a commemorative stamp.

Captain Powers served as a U.S. U–2 pilot during the cold war. On May 1, 1960, Captain Powers' plane was shot down while performing a reconnaissance mission over the U.S.S.R. After ejecting himself from his plane, Captain Powers was taken into custody by the Russians and subjected to hours of interrogation. Captain Powers followed his CIA regulations and only revealed to the Russians what they already knew or assumed about his mission and his plane. At no point did Captain Powers reveal classified information, and he even misled the Russians about some important features of his top secret airplane.

Unfortunately, while Captain Powers was honorably serving his country over in Russia, rumors spread in America that he had betrayed the United States, and had revealed privileged information to the Soviets. These rumors were not true. Meanwhile, Captain Powers was tried for espionage by the Russians, convicted on this charge, and imprisoned for 21 months. When he finally returned to the United States, Captain Powers sought to clear his name, but was never fully exonerated by the CIA. He lived his life knowing that there were people who would always believe that he had betrayed his country. It was not until after his death that Francis Gary Powers was awarded the Distinguished Flying Cross and promoted to the rank of captain.

Captain Powers served his country, as he was trained to do, and he did it with honor, integrity, and bravery. Today, I have introduced legislation which will do the right and just thing and repair Capt. Francis Gray Powers' name and reputation forever by honoring both himself and his historic flight over the Soviet Union on a commemorative stamp. I ask that you join me in honoring Captain Powers by becoming a cosponsor of this important legislation.

H.R. 3490, COOPERATIVE AGRICULTURAL PROGRAMS EXTENDED RETIREMENT CREDIT ACT OF 1993

HON. E de la GARZA

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, November 15, 1993

Mr. DE LA GARZA. Mr. Speaker, I want to bring to my colleagues' attention the bill H.R. 3490, the Cooperative Agricultural Programs Extended Retirement Credit Act of 1993 [CAPERCA], which I recently introduced.

This legislation has two objectives. First, it would facilitate the downsizing of the U.S. Department of Agriculture [USDA] by providing an added incentive for certain current USDA employees to take early retirement through the proposed buy-out option. The Clinton administration has proposed reducing the number of full-time equivalent employees at USDA by 7,500 people.

Second, the bill would provide civil service retirement credit for certain USDA employees and retirees who previously worked as State employees or as employees of private agencies designated to carry out certain Federal and Federally-funded programs. These USDA employees or retirees are currently not allowed to have those years in public service calculated toward their annuity benefits. The bill would allow these persons to receive credit toward retirement benefits for the years they performed a Federal function as a State or private agency employee.

Under CAPERCA, an individual would be eligible to receive credit toward retirement for service performed as a State employee for certain specified cooperative Federal-State programs if the individual subsequently became subject to the Civil Service Retirement System [CSRS]. In order to claim full benefits from the extended credit, an eligible individual would be required to pay into CSRS the amount—with accrued interest—that would have been deducted from his or her paycheck had the individual been covered under the system at the time service in the cooperative program was performed.

The cooperative Federal-State programs at USDA under which employment would be covered by H.R. 3490 are:

The cooperative Federal-State programs at USDA under which employment would be covered by H.R. 3490 are:

Agricultural research of State agricultural experiment stations;

Forestry research under section 2 of the McIntire-Stennis Act;

Agricultural research at the 1890 land grant colleges, including Tuskegee Institute;

Cooperative agricultural extension carried out under the Smith-Lever Act of 1914;

Vocational education training—including vocational agriculture and home economics;

Marketing service and research authorized by the Agricultural Marketing Act of 1946 and programs of inspection and weighing services authorized by the U.S. Grain Standards Act performed by delegated State agencies and designated private agencies;

Control of plant pests and animal diseases under various statutes;

Forest protection, management, and improvement performed under the authority of various statutes;

Emergency relief including State rural rehabilitation corporation programs, established for the purposes of the Federal Emergency Relief Act of 1933;

Veterans' educational programs, including part-time instruction in on-the-farm training program; and

Wildlife restoration and fish restoration and management authorized by various statutes.

For individuals who continued to carry out these programs after conversion to Federal employment status, service currently creditable towards Federal retirement began at the time of conversion. Consequently, some individuals have found that their prior service was either lost for retirement purposes because the service period did not satisfy the State's vesting requirement, or became insignificant in terms of the contribution towards any benefit for which the employee may have been eligible under a State's pension system.

Mr. Speaker, under Congressional Budget Act scoring, CAPERCA would result in pay-as-you-go costs and therefore requires offsetting savings. However, because the effect the bill will have on lowering current USDA employment at a time when vacancies are not being filled and full-time equivalent employees are expected to be reduced for the long-term, its enactment should result in overall taxpayer savings. Because the savings will be from discretionary accounts, they cannot be counted to offset the retirement annuity costs under current scorekeeping conventions. I am committed to working with my colleagues on the Committee on Post Office and Civil Service to find a way to claim these savings in spite of the procedural obstacles.

Mr. Speaker, the enactment of CAPERCA would provide Federal retirement benefits affecting more than 1,000 current Federal employees and retirees, and it would also contribute to the overall goal of reducing the Federal work force.

NAFTA IS GOOD FOR AMERICA AND OUR NEIGHBORS TO THE SOUTH

HON. DANA ROHRABACHER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, November 15, 1993

Mr. ROHRABACHER. Mr. Speaker, former U.S. Ambassador J. William Middendorf II our Ambassador to the Organization of American States is by virtue of his experience one of the most qualified people to determine what is in the interests of both the United States and our southern neighbors.

I call to the attention of my colleagues, particularly my conservative friends, an excellent column from today's paper in support of the NAFTA trade agreement. All Members should read this article and then vote for NAFTA.

I insert the article in the RECORD at this point.

[From the Washington Times, Nov. 15, 1993]

CONSERVATIVES' MISGUIDED CASE AGAINST NAFTA

(By J. William Middendorf II)

Conservatives certainly have plenty of areas in which they disagree strongly with Bill Clinton and his administration. There is one issue, however, on which conservatives should cheer the president—the North American Free Trade Agreement. In pressing for NAFTA, Mr. Clinton is standing up to his natural liberal-labor constituency in order to achieve a major breakthrough in U.S. relations with Latin America and bring dramatic benefits to U.S. business. These efforts deserve wholehearted conservative support.

Yet I'm repeatedly astounded by opposition from some conservative quarters to NAFTA, even though the agreement achieves some of our cherished goals: free markets and unfettered trade. I'm especially disturbed because the implementation of NAFTA is directly related to our larger goals of opening markets in Japan, the rest of Asia, Europe—and ultimately in all nations under the umbrella of the General Agreement on Tariffs and Trade (GATT).

We conservatives must judge NAFTA on a number of key points:

U.S. sovereignty. Lately, I've heard my fellow conservatives bemoan NAFTA's 1,200 pages and its alleged creation of 50 new bureaucracies that will, to quote some, "rule our lives." This is simply not the case. The NAFTA text explicitly details the terms by which the three countries will eliminate trade barriers. Most of its 1,200 pages are transition rules, including detailed schedules for phasing out import duties. By the end of the transition period, these provisions will be inoperative and the agreement will be much simpler. The other major portion of the agreement deals with origin rules. These are designed to prevent non-NAFTA countries, principally in the Far East, from establishing export platforms and otherwise "freeloading" on benefits reserved for North Americans.

Nothing in NAFTA or its side agreements requires any country to observe anything other than its own laws. As economist Edward Hudgins writes in an analysis for House Republicans: "American citizens in U.S. territory are subject only to American-made laws. No local mayor will answer to an international body. No CEO of an American firm operating in the U.S. will be subject to laws or regulations that have not been approved and passed by the American people through their representatives." As a recent report by the Cato Institute concludes, "Charges that NAFTA poses an unprecedented threat to American sovereignty are specious and unsupported by the facts."

Codification of free-market principles. Mexico's courageous President Carlos Salinas de Gortari has taken important steps toward creating a free-market economy over the past five years, including a significant reduction in tariffs. The United States has benefited from this in the form of skyrocketing exports and the creation of hundreds of thousands of new U.S. jobs. It should be the goal of every conservative to make certain these free-market principles, which have been so advantageous to the United States, are codifed so future Mexican governments cannot reverse them.

There has been much talk that a NAFTA defeat could lead to the return of the Smoot-Hawley protectionist policies that deepened the Great Depression in the United States. However, there has been little consideration of the possibility this same phenomenon could also operate in Mexico, closing that market to U.S. goods. One could well imagine that Mexican frustration with the United States in the wake of a NAFTA defeat, combined with Mexican desire to strike compensating deals with Japan and Europe, could lead to selective duty increases on major U.S. exports and ultimately complete closure of the Mexican market. Retaliation by the United States would be inevitable, just as the Europeans retaliated in the early 1930s to the Smoot-Hawley tariffs.

My experience as ambassador to the Organization of American States also convinces me NAFTA can be a valuable "economic wedge," bringing free-market principles to the rest of the hemisphere. Since 1955, I have personally seen at least three cycles toward—and away from—free markets in Latin America. Import substitution and high tariff barriers where the failed economic model for Latin America in the post-war period. NAFTA will stop this ebb and flow in favor of free markets once and for all.

Competition from Europe and Japan. A failure to ratify NAFTA will surely encourage our Asian and European competitors to usurp the trade advantage we now have, not only with Mexico, but in the entire Latin market. Mexico, needing capital and technology will have no choice but to encourage this development.

No NAFTA, no opening of Japanese markets, no GATT. The day after the House is scheduled to vote, President Clinton will go to Seattle for trade talks with Asian leaders, some of our toughest competitors. Indeed, some of these countries, and not Mexico, are the real cause of U.S. trade deficits that have cost U.S. jobs. This fact has been lost in the NAFTA debate. A NAFTA defeat would run counter to our goal of maintaining American strength in trade negotiations and would render the president toothless in the face of the Asian Tigers just when he needs to be strongest to pry open their markets.

Furthermore, although the GATT negotiations have been largely completed, the hardest work is on the 15 percent that remains to be done. Final negotiations scheduled before Dec. 15 could complete seven years of complex bargaining and unleash a worldwide trading system that would boost the global economy by a staggering $270 billion. My dealings with the Europeans convince me that if U.S. Trade Representative Mickey Kantor arrives at these final talks following a NAFTA defeat, his ability to negotiate a good deal for the United States on the remaining items will be dead on arrival. In fact, if the final deal turns sour for us, there goes GATT, there goes $270 billion in new world trade.

Wouldn't it be ironic if some conservatives, through a serious misreading of NAFTA, were to set off a chain of events that led to our losing these historic opportunities for increased trade?

JUDGE WILLIAM J. BAUER; PILLAR OF THE LAW

HON. HENRY J. HYDE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, November 15, 1993

Mr. HYDE. Mr. Speaker, all of us from Du Page County take pride in the success and recognition of that success of a native son—in this case that of Chief Judge William J. Bauer of the 7th Circuit U.S. Court of Appeals.

Steve Neal, the widely read political columnist of the Chicago Sun-Times had some appropriate commendatory remarks concerning Judge Bauer in the November 12 issue and I thought my colleagues would appreciate reading them:

[From the Chicago Sun-Times, Nov. 12, 1993]

JUDGE WILLIAM J. BAUER: PILLAR OF THE LAW

William J. Bauer has come a long way from Brookdale. Bauer, who was born on the South Side, grew up in Brookdale, which is between Woodlawn and South Shore. When he was 15, the Bauers moved to Elmhurst in Du Page County, where he graduated from Immaculate Conception High School.

An Army veteran of World War II, Bauer served in the Pacific, then attended Elmhurst College on the GI Bill. He also played on the college football team and graduated with honors. He studied law at DePaul and was admitted to the Illinois bar in 1951.

Bauer is being honored next Thursday, along with other former U.S. attorneys for the Northern District, by the Constitutional Rights Foundation. Bauer will accept the Bill of Rights in Action Award from former U.S. Attorney General Edward Levi in Preston Bradley Hall of the Chicago Cultural Center.

His achievements are considerable. In the last 41 years, he has served as an assistant state's attorney, first assistant state's attorney, Du Page County state's attorney, Circuit Court judge, U.S. attorney for the Northern District of Illinois, U.S. district judge and chief judge of the 7th U.S. Circuit Court of Appeals. Bauer, a judge with a keen sense of history, is a pillar of the law.

"I don't single out one area of the law as more important to enforce than any other. They are all important and will be equally enforced by my office," Bauer said when he took office in 1970 as U.S. attorney.

Setting a new standard for the U.S. attorney's office, Bauer took on organized crime, corporate polluters, corrupt public officials and suburban real-estate developers who were discriminating against blacks. He was the mentor for a new generation of prosecutors, including James R. Thompson, Sam Skinner, Anton Valukas, Dan K. Webb and Tyrone C. Fahner. Bauer set a standard for excellence.

As a judge, Bauer has a reputation for fairness, civility, and a concern for human rights and for moving carefully on constitutional issues. "The man who tinkers with the Constitution for his own philosophical reasons does the liberal cause no good," Bauer once said. "The Bill of Rights was designed to protect human rights. So a conservative interpretation results in a liberal stance. A conservative interpreter becomes a civil libertarian."

When the National Right to Work Committee sought to limit the political role of organized labor by promoting a lawsuit against the United Auto Workers, Judge Bauer dismissed the lawsuit as no business of the court. Bauer held that the unions have a right to spend funds for political and social purposes.

Earlier this week, Bauer and Chief Judge Richard Posner voted to dissolve district Judge Charles Kocoras' waiver of the state law forbidding the Chicago public schools to operate without a balanced budget. Bauer doesn't believe in using the court as a replacement for the Legislature.

"The dispute between the School Board and the finance authority is entirely a matter of state and local law and politics," the opinion stated. "There is no federal issue."

Bauer is a straight shooter and a jurist of principle. He has spent a lifetime seeking to foster justice and protect our country's freedoms.

(Steve Neal is the Chicago Sun-Times political columnist.)

A TRIBUTE TO DR. ROBERT PERCY

HON. JERRY LEWIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, November 15, 1993

Mr. LEWIS of California. Mr. Speaker, it is with a great deal of pride and no small amount of emotion that I bring to your attention the fine work and outstanding public service of my best friend, Dr. Robert W. Percy. Dr. Bob is retiring from a successful 31-year dental practice. It is my privilege to join his family and many friends to honor him on this occasion.

Robert Wayne Percy was born on August 31, 1933, in San Bernardino, CA. He and I have often shared the thought that if it were not for great parents and the grace of God, we might have gone down a different pathway in life. Bob graduated from Colton Union High School and then served a stint in the Army Medical Corps. Following San Bernardino Valley College, he spent a brief but glorious year at UCLA. The University of Southern California rose to almost unimaginable heights when it attracted this talented young man where he received his doctor of dental surgery degree in 1961.

Bob has always had it in the hands as it were. This was first demonstrated when he became the sensational drummer of the Howard Roberts band and again on the football field for Colton High. If but for a knee injury, his beloved Trojans might have never lost a game—even to the mighty Bruins.

When I first met Bob, he was demonstrating dexterity one more time with a paint brush in hand helping decorate his first dental office on D Street in San Bernardino. We went to lunch to talk a little life insurance and the world has never been the same since.

Dr. Bob Percy has always advocated the highest possible quality dental care and has expected the highest standards of himself and his colleagues. As a pioneer in his profession, he established one of the first group dental practices in 1966. As the leader of the Wildwood Dental Group, Bob oversaw the fantastic growth of that practice while designing and developing a teaching plan for dental practices in a group setting. His expertise in this field led to teaching postgraduate courses on the conception, birthing, and nurturing of a dental group practice.

Over the years, Bob has been actively involved in a number of civic and community based organizations including the Uptown Kiwanis, board of directors of the Junior Chamber of Commerce, and drives for the YMCA, Visiting Nurses Association, and Goodwill Industries. Bob Percy has served on the San Bernardino School Board, the California State Board of Public Health, the California State Health Advisory Council and serves on the California State University at San Bernardino President's Advisory Board.

To say the least, Bob has also been involved in numerous professional groups including the American Academy of Group Practices, the American Academy of General Dentistry, the Western Academy of Dental Group Practice, and the American Society for Preventive Dentistry. He has also served as a member of the American Dental Association, the California Dental Association, and the Dental Advisory Board for Blue Cross of California.

A moment we will always remember—November 22, 1963—with tears running down our cheeks, we sat in the D Street office sharing the shock and tragedy of the assassination of President John Kennedy. It was then that Bob and I made a commitment to public service that in many ways has changed our lives. During endless sessions over hamburgers and hops at the Curve Inn or the Clover Club, Bob has been a most trusted adviser. Committed to public affairs that help people, his voice has always been heard on behalf of those we have the privilege to serve.

Mr. Speaker, I ask that you and my colleagues join me along with Bob's parents, Charlie "Red" and Alma Percy, his wife—the ever-wonderful Jan, along with their children Keith "Jerry," Ken, Cathie, and Chuck and their three grandchildren in recognizing the vast and diverse contributions of this wonderful guy. As a personal friend, there is no equal. Bob's professionalism and dedication to our community is admired and appreciated by people throughout California. It is indeed fitting that the House pay tribute to Dr. Robert W. Percy on this great day.

TIME FOR A THOROUGH INVESTIGATION OF IRAQGATE

HON. JERROLD NADLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, November 15, 1993

Mr. NADLER. Mr. Speaker, I rise today to bring to my colleagues' attention recent revelations in a series of scandals known generally as Iraqgate. In the last week, in testimony before the House Banking and Urban Affairs Committee, in the pages of the New York Times and in a recently published book, "The Secret History of How the White House Illegally Armed Iraq," by Alan Friedman, a series of disturbing revelations have pointed to involvement by officials at the highest levels of the Reagan and Bush administrations in Iraqgate.

In particular, Mr. Friedman, who has reported on these events in the London Financial Times since 1989, provides details and

documents which appear to support his account of misrepresentations by top officials of the Reagan administration to Congress concerning the transfer of arms, militarily useful equipment and by the Bush administration concerning the transfer of high technology, as well as materials helpful in the Iraqi nuclear weapons program. There is also evidence which appears to support the allegation that the Central Intelligence Agency misled Congress about the extent of its knowledge of secret loans from the Atlanta branch of Banca Nazionale del Lavoro [BNL] to Baghdad that helped to finance Saddam Hussein's Scud missile, nuclear and chemical weapons programs.

Finally, Mr. Friedman's book reports and documents the alleged personal involvement of former President George Bush and former National Security Advisor Brent Scowcroft in White House attempts to launch a coordinated effort to withhold from Congress documents relating to the Bush administration's relations with Iraq before Operation Desert Storm.

I believe that the following article by Mr. Friedman, which appeared in the New York Times on November 7, provides details which are both startling and which make a strong case for a stepped up effort by the Justice Department to get to the bottom of Iraqgate.

[From the New York Times, Nov. 7, 1993]

THE PRESIDENT WAS VERY, VERY MAD

(By Alan Friedman)

The full truth has not yet been told about how the White House illegally armed Iraq during the Reagan Administration and then engaged in a wide-ranging cover-up that personally involved President George Bush and his national security adviser, Brent Scowcroft.

Getting that truth out may seem politically awkward for the Clinton Administration at a time when it needs to work with Republicans on issues like health care reform and free trade. But information about to be made public should prove that a serious investigation—by the Justice Department or, preferably, a special prosecutor—is urgently needed.

Until now the scandal known as Iraqgate has revolved mainly around the court case of a lowly bank manager in Atlanta who provided $5 billion in loans to Iraq that fueled Saddam Hussein's nuclear and chemical weapons projects. That manager, Christopher Drogoul of the Atlanta branch of the Banco Nazionale del Lavoro of Italy, has spent the last year and a half without bail in a Federal penitentiary in Atlanta; he is scheduled to appear for the first time on Tuesday before the House Banking Committee, where he is likely to testify that his superiors in Rome and U.S. officials knew what he was doing. Yet there was far more to America's dangerous embrace of Mr. Hussein than the Lavoro loans.

I have been investigating the flow of arms to Iraq since 1989, when I was first told of C.I.A. involvement in the Lavoro money machine by a senior executive at the bank's Rome headquarters. Now, after four years of investigation, hundreds of interviews and the accumulation of thousands of pages of Government and banking documents from the U.S., Italy and Britain, it is clear that a far more serious abuse of power, including violations of law, occurred at the White House. Here are some of my findings:

Off-the-books arms transfers to Iraq were kept from Congress from 1982 to 1987, in violation of the law.

President Ronald Reagan personally asked the Italian Prime Minister in 1985 to help arm Iraq.

The C.I.A. knew of and was involved in the flow of money through the Lavoro bank to Iraqi arms procurers, despite its statutory obligation to notify U.S. law-enforcement agencies of such activities.

Despite the Bush Administration's flat denials, James Baker's State Department approved of U.S. exports that helped Iraqi efforts to develop nuclear weapons.

Former White House officials say, and notes of their meetings confirm, that in 1991 Mr. Bush and Mr. Scowcroft joined in a prolonged and unusually aggressive effort to withhold documents from Congress.

It is already known that during the long war between Iran and Iraq in the 1980's Washington tilted toward Mr. Hussein to staunch Iran's Islamic fundamentalism. But the American people, while suspecting that "we armed Iraq," have never known the breadth and depth of the illicit manner in which the Reagan and Bush Administrations helped create Saddam Hussein's war machine and bring on the trauma of the 1991 Persian Gulf war.

What has never been made public is that officials at the Reagan White House, working with the C.I.A. Director, William Casey, broke the law requiring that Congressional intelligence committees be notified of clandestine operations. They did this by directing the transfer of U.S. arms to Iraq in operations that were carried out by covert agents outside the Government, thus also evading arms-export control legislation.

Howard Teicher, a former member of the National Security Council staff, told me he learned of this "dirty policy" while serving at the Reagan White House. He recalled that officials would pick up the phone and "clear" the deployment of planeloads of ammunition, spare parts, electronics and computers to Iraq.

Although the law required not only the notification of Congress but also an explicit Presidential finding that such a covert operation was in the interest of national security, Mr. Teicher said it was all done "off the books"—and with great regularity. "Yes, they were illegal," he said of the transfers. The public may have thought that the Iran-contra affair was something unique, he went on, but "it wasn't; it was just the one that went public."

Among those who knew about the operations, Mr. Teicher said, were William Clark, Mr. Reagan's second national security adviser, and Mr. Bush, then Vice President. Mr. Clark told me he had "no recollection" of any involvement; Mr. Bush declined to speak with me for the book.

So convinced were White House officials that they knew what was best, regardless of the law, that some clandestine shipments were even sent to Iraq straight from NATO weapons stockpiles, including the U.S. base at the Rhein-Main airport in Frankfurt.

The Reagan and Bush Administrations did not work alone as they sought to build up Iraq's military in the 1980's. The British played their part, with the knowledge of 10 Downing Street. So did the Italians. Last spring I spoke with Giulio Andreotti, the former Italian Prime Minister. He confirmed in a taped interview what two other eyewitness participants had told me about a March 1985 Oval Office meeting between Mr. Andreotti (then Foreign Minister), Bettino Craxi (then Prime Minister) and Mr. Reagan. I asked Mr. Andreotti if Mr. Reagan had sought help from Rome in arming Iraq. "Yes," he replied, "that is true."

The Italian Government then approved the sale of land mines that went by a circuitous route to Iraq, with help from the Lavoro bank's Singapore branch. But it was the Atlanta branch that really opened the financial floodgates after 1985. The supposedly secret Atlanta loans, which the Bush Administration claimed were masterminded by the branch manager, Mr. Drogoul, not only helped Iraq in its efforts to make missiles that could carry nuclear weapons; it even helped enhance Scud missiles.

A U.S. intelligence officer involved in monitoring the arms trade told me: "B.N.L.'s work with the Iraqis was known about for a long time. The C.I.A. knew about it, and so did the Defense Intelligence Agency."

Then there is the Jordanian connection. King Hussein, I learned through interviews with U.S. intelligence officers and former diplomats, served as a channel for covert U.S. arms transfers to Iraq. And his friend Wafai Dajani was a key Jordanian middleman among Baghdad, the Lavoro bank in Atlanta and the U.S. Government Mr. Dajani denies having worked for the C.I.A., but Mr. Teicher said Mr. Dajani performed services for the C.I.A. He ended up as an unindicted co-conspirator in the Lavoro case after aides to Mr. Baker told the Justice Department in February 1991 that indicting him could damage U.S. relations with Jordan.

As for Mr. Drogul, who recently agreed to a plea bargain in the Lavoro case, he should be asked in Congress about a dinner with U.S. and Iraqi officials at a restaurant in Washington just before the 1988 Presidential election. There, he told me in a prison interview, he heard U.S. officials urge the Iraqis to sign up for more U.S.-backed loans because if Micheal Dukakis were to defeat George Bush, "the Democrats will cut you off."

After Mr. Bush took office, he turned the previous tilt to Baghdad into a bear hug, approving a secret National Security Directive (N.S.D. 26) in October 1989 that stepped up military and financial aid to Saddam Hussein even though the Iran-Iraq war had ended more than a year before. Mr. Baker nonetheless rushed to implement the secret policy by brushing aside repeated warnings that Mr. Hussein was using U.S. loan guarantees in violation of the law.

Documents show that the Secretary of State not only pushed through a further $1 billion in credits and kowtowed to Mr. Hussein in the process; his State Department also approved exporting U.S. equipment and technology to Iraq even though it was clearly suggested in a November 1989 memo that the goods were likely to go into Mr. Hussein's nuclear weapons project. (The State Department wished away this obvious danger by recommending that each export license carry the words "no nuclear use"—as if the U.S. could control what was done with the equipment.)

In early 1990—just 11 months before the United States went to war with Iraq, partly for the stated purpose of stopping Saddam Hussein from building atom bombs—a Baker aide drafted a letter to the Commerce Department to suggest that such concerns were not all that serious. The letter, prepared for Under Secretary Robert Kimmitt, cited "explicit Presidential authority" to improve trade with Iraq. And it said the Government's scrutiny of exports that could bolster Baghdad's nuclear ambitions "needs to be balanced by other considerations, including our duty to support U.S. exporters who can right our trade imbalance with Iraq and the broader needs of the overall relationship."

One wonders how the American people would have felt during Operation Desert Storm if they had known about that attitude then.

After the war, Congressional investigators started looking into allegations of improprieties in pre-war dealings with Baghdad. The Bush Administration first tried to hang it all on Mr. Drogoul in Atlanta, and then aides to the President tried to thwart Congress. Starting on April 8, 1991, Mr. Scowcroft's legal adviser, Nicholas Rostow, joined the White House counsel, Boyden Gray, and lawyers from the C.I.A., the State and Commerce Departments and other agencies in a series of meetings that devised ways to withhold Iraq-related documents from Congress for many months.

The mechanisms they decided upon marked one of the most robust assertions of White House prerogatives since the days of Richard Nixon. Even the language used by participants was reminiscent: a State Department official who attended the sessions recalled a "bunker mentality." A White House aide who took part in the meetings said there was a high level of discomfort about the process. "People already suggesting a cover-up," he said. "Everybody was nervous."

Mr. Gray suggested bringing in Cabinet officials "to see the President" to discuss specific requests for documents from Congress. He told me that he didn't consider the process a cover-up and that he could remember Mr. Bush's becoming "involved personally" in only one decision. But three other participants at the spring 1991 meetings said the President and Mr. Scowcroft had been the driving forces behind the efforts to stop Congress from getting the documents. Handwritten notes from the meetings bear this out. "Protect," read one of the minutes. "Pres has decided to." Those lines were then crossed out and replaced with the notation "B.S. has decided to review EP": Brent Scowcroft has decided to review executive privilege. Other notes describe conversations between Mr. Scowcroft and Mr. Bush about specific documents that were being withheld. They report that the President was "very, very mad."

Last year, when a Federal judge in Atlanta and the House Judiciary Committee demanded an investigation of the suspected abuse of tax-financed programs and U.S. export laws, and of attempts by the Bush administration to obstruct justice and Congress, they were given the cold shoulder. As candidates, Bill Clinton pledged to get to the bottom of Iraqgate and Al Gore termed the whole business "worse than Watergate." This year Attorney General Janet Reno promised to look beyond the Lavoro case to determine if other wrongdoing occurred. Indeed, the first indictments of U.S. companies that helped to arm Iraq are said to be in the pipeline already.

There is a tendency to shrug off Government malfeasance on the ground that we are so inured to such behavior that it almost doesn't matter. Yet the story of Iraqgate goes well beyond policy blunders; it is a story of flagrant disregard for the law at the highest levels of Government. No matter how awkward it may be, the Clinton administration needs to live up to its promises and broaden its investigation. The rule of law is not an expendable principle.

Clearly, any one of these allegations would be cause enough for the Justice Department to step up its investigation of these matters. The breadth and seriousness of these recent revelations, and the apparent extent to which they have been documented, make it imperative that a complete and thorough investigation be conducted, and that appropriate actions be taken by the Department based on its investigation consistent with applicable laws and procedures.

I would also point out that we have lately been hearing a great deal of overheated rhetoric from the other side of the aisle about the need for full disclosure and aggressive independent investigations whenever even a suggestion of wrongdoing is raised about a Member of the House. I hope that now those same colleagues will recognize that the need for independent investigation and openness in government must apply to the executive branch too. I urge my colleagues to join me in working for a swift reauthorization of the independent counsel law early in the next session.

Mr. Speaker, the American people have a right to expect their government to be open and honest. Last year they demanded change: An end to the lies, the secret arms deals, the obstructed investigations, the secret foreign policies. The time has come to air the facts, to let in the light and to let the chips fall where they may, regardless of who might be implicated. That is why I have urged Attorney General Reno to step up her investigation into Iraqgate and why I believe we must reauthorize the independent counsel law.

HONORING THE YONKERS CHAMBER OF COMMERCE

HON. ELIOT L. ENGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, November 15, 1993

Mr. ENGEL. Mr. Speaker, I rise today to acknowledge the 100th anniversary of the Yonkers Chamber of Commerce.

As the fourth largest city in New York State, Yonkers is the home of several important companies, as well as many equally vital small businesses. The Yonkers Chamber of Commerce serves as a focal point where all the business interests of Yonkers meet. Members share information on emerging trends and pool their resources to address the concerns of the community.

As our local and national economies continue to grapple with a changing world, the role played by our Chamber of Commerce organizations continues to be important. Anytime business leaders and community interests come together, the resulting action is bound to reflect the true needs of the people.

In Yonkers, the Chamber of Commerce has been an active part of the community for a century and, I am sure, it will continue to work for the best interests of the city for many years to come. On behalf of my constituents, I congratulate the current president, Robert Galterio, and all the Yonkers Chamber of Commerce leaders and member businesses who have contributed to the success of the organization over the past 100 years.

THE TRIBAL SELF-GOVERNANCE ACT OF 1993

HON. BILL RICHARDSON

OF NEW MEXICO

IN THE HOUSE OF REPRESENTATIVES

Monday, November 15, 1993

Mr. RICHARDSON. Mr. Speaker, today I am introducing the Tribal Self-Governance Act of 1993.

In 1988, the Congress considered, as part of the amendments to Public Law 93–638, the Indian Self-Determination Act, the self-governance demonstration project. The tribal self-governance project was authorized by the Congress under title III of Public Law 100–472. The self-governance project allows participating Indian tribes to enter into an annual funding agreement with the Secretary of the Interior. These agreements allow the Indian tribes to plan, consolidate, and administer programs, services, and functions currently administered by the Bureau of Indian Affairs. It also allows tribes to redesign programs, functions, and services. The self-governance project provides Indian tribes with the flexibility to develop programs and establish funding priorities to meet their specific needs.

Indian tribes in the self-governance project are allocated funds pursuant to the annual agreements on the basis of what the Indian tribes would have received from the Bureau of Indian Affairs in funds and services. These funds are allocated out of agency area, and central office accounts of the Bureau of Indian Affairs. In negotiating self-governance compacts, Indian tribes are eligible to receive funds for programs, services, functions, and other activities as well as any direct program costs or indirect program costs incurred by the Secretary in delivering services to the tribe and its members. Specifically, exempted from the self-governance project are funds from the Tribally Controlled Community College Assistance Act, the Indian School Equalization formula and the Flathead Irrigation Project.

In 1991, the Congress amended the demonstration project so that 10 additional Indian tribes could participate and the project was expanded to include the programs of the Indian Health Service.

The legislation I am introducing today makes the self-governance project a permanent part of Federal Indian policy. Our Subcommittee has heard from Indian tribes across the country that the self-governance projection in the Department of the Interior is a tremendous success. We should now take the model at Interior and make it permanent. In future years, we will expand self-governance to other departments of the Federal Government.

The participating tribes have told our Committee that the self-governance compacts provide true self-determination and allows the tribes to prioritize spending as they see fit. Indian tribes, not the BIA, are the best equipped to determine the spending priorities and the needs of the tribes. Under the self-governance concept, the BIA maintains its trust responsibility to tribes, but the tribes carry out BIA responsibilities. Of course, the Department of the Interior must continue to monitor these projects carefully. However, the Demonstration Project has shown the great capacity participating tribes have for self-governance and

they have acted responsibly in prioritizing their own spending.

This bill is the product of 200 years of failed Federal Indian policies, 18 years of capacity building under the Indian Self-Determination Act and 5 years of experimental under the self-governance demonstration project.

The Self-Governance Act was a proposal developed in Indian country by Indian tribes themselves. It is the right direction at the right time. This bill is nothing less than the future of Indian affairs.

I urge my colleagues to support it.

ANNOUNCING HIS SUPPORT OF LEGISLATION TO IMPLEMENT THE NORTH AMERICAN FREE-TRADE AGREEMENT

HON. HERBERT H. BATEMAN

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, November 15, 1993

Mr. BATEMAN. Mr. Speaker, on Wednesday, the House is scheduled to debate and vote on legislation to implement the North American Free-Trade Agreement [NAFTA]. I understand the importance of good information and thoughtful analysis as the basis for responsible decisionmaking and sound public policy. Accordingly, I have spent countless hours over the past several months trying to carefully and intelligently consider the facts and arguments in this extremely important and emotional debate over NAFTA.

During my efforts to learn more about this complex trade agreement, I have talked with a number of my constituents to hear their opinions and thoughts on NAFTA. I have reviewed the hundreds of letters, telephone messages, and materials sent to my offices by constituents and others explaining why they either support or oppose NAFTA. I have attended administration briefings and congressional hearings to garner more knowledge about the accord. I have traveled to Mexico City and the United States-Mexico border region to see for myself the likely economic, political, social, and environmental impacts of this agreement. And I have met personally with Ross Perot in my Washington office and his supporters in the First District to listen to their concerns about the trade pact.

Needless to say, this effort has been time consuming. But it has been time well spent, for I felt it was important to take advantage of as many opportunities as possible to discuss this matter fully. In making my decision, I have taken into account the consequences of not agreeing to NAFTA. I believe they are significant and adverse. I also have put what I believe is best for the United States and my district ahead of any special interests or partisan advantage.

Based upon what I perceive as the bill's merits, I have concluded that NAFTA will serve our Nation's and the First District's best interests by reducing barriers to trade, opening growing markets to U.S. exports, creating new jobs for American workers, fostering an environment conducive to sustainable economic growth and development, and enhancing our Nation's ability to compete in the global economy. For these reasons, I will vote for the legislation necessary to implement NAFTA.

WHAT IS NAFTA?

From the perspective of the United States, NAFTA is at bottom, as its name suggests, an agreement that primarily reduces tariffs and opens Mexican and Canadian markets to American exports. The reason that Mexico has received so much attention and scrutiny in this debate is because the United States and Canada already entered into a free-trade agreement in 1989 to reduce existing tariffs.

A tariff is a tax on U.S. goods—a tax collected by foreign governments at their borders, artificially raising the price of U.S. exports. Reducing these tariffs and other barriers to trade is a significant benefit for the United States because Mexico's taxes on American goods average 10 percent, or about 2½ times as high on average as those imposed by the United States on Mexican products.

Economic growth in the United States is increasingly driven by exports, accounting for approximately 70 percent of the growth in our Nation's economy since 1989. By leveling the playing field between two of the United States' most important trading partners, NAFTA will turn the $6.5 trillion North American economy into the world's largest trading block with nearly 360 million consumers. Under the terms of the agreement, scheduled to begin on January 1, 1994, half of all United States goods sent to Mexico will be immediately eligible for export without Mexican tariffs. Within the first 5 years of NAFTA, two-thirds of United States industrial exports will enter Mexico duty free. When NAFTA is fully implemented in 15 years, no United States exports will be competitively disadvantaged by Mexican border taxes.

BENEFITS FOR VIRGINIA

Canada and Mexico are important export markets for Virginia. Canada is Virginia's largest export market. Virginia's exports to Canada and Mexico were worth $1.1 billion in 1992, 76 percent greater than the 1987 level of $623 million. These exports of manufactured goods to Canada and Mexico support an estimated 21,185 jobs in Virginia, according to the United States Department of Commerce. Approximately 8,680 of these have been created since 1987 by growth in Virginia's manufactured exports to Canada and Mexico.

Virginia's exports to Mexico are growing rapidly. Between 1987 and 1992, Virginia's exports to Mexico grew 286 percent, 226 percent faster than export growth to the rest of the world. Moreover, in 1992 Mexico ranked 18th among Virginia's 199 export markets, up from 27th place in 1987. This increase in trade with Mexico has been diverse and has strongly benefited important Virginia industries. In fact, most sectors have seen dramatic increases in exports to Mexico, and 19 sectors have seen their exports to Mexico more than double since 1987. For example: paper products up nearly 5,300 percent to $6.1 million; transportation equipment up almost 2,500 percent to $41.7 million; food products up over 1,110 percent to $13.9 million; textiles up over 770 percent to $2.8 million; and industrial machinery and computers, up nearly 350 percent to $28.7 million. Further reductions in Mexican trade barriers under NAFTA will benefit Virginia's businesses, workers, and economy.

International trade through U.S. ports creates a tremendous positive economic impact at the local, regional, and national levels. According to recent figures from the U.S. Department of Transportation, in 1991 commercial port activities resulting from cargo operations created 1.5 million jobs, contributed $70 billion to the gross national product, provided personal income of $52 billion and generated Federal revenues of $14 billion and $5.3 billion in State and local taxes. This is why the American Association of Port Authorities strongly supports NAFTA.

Of particular importance to those in the Hampton Roads area, NAFTA immediately eliminates the 10 percent tariff on United States coal that is sold to Mexico. This tariff removal, coupled with the plans of the state-owned electric utility to increase its capacity, means a potential market of 21 million metric tons of steam coal. Removing this trade barrier will also help Virginia's metallurgical coal become more competitive. Last year, 53 million tons of coal were exported from Hampton Roads, with 60 percent of that being metallurgical. This is good news for the workers at the Port of Hampton Roads, as it is the largest coal-shipping port in the United States.

Throughout Virginia's first district, businesses and their workers will benefit from the immediate elimination or phase-out of Mexican trade barriers. With NAFTA, for example:

Discriminatory tariffs against fish oil will be eliminated. This will be good news for a fish processing plant and its workers on the Northern Neck;

Licensing restrictions will be phased-out over 10 years, enabling 95,000 tons of poultry to enter Mexico duty free. This will be good news for the poultry industry and its workers on the Eastern Shore;

Restrictive automotive regulations, including Mexican content requirements, export requirements and high tariffs will be steadily eliminated. This will be good news for the U.S. automobile industry and its workers at the General Motors parts plant in Spotsylvania County; and

Intellectual property rights for protecting U.S. copyrights, patents and other inventions will be strengthened. This will be good news for an automated manufacturing technology company in Newport News.

The defeat of NAFTA would seriously jeopardize all that Virginia and its workers stand to gain from the removal of Mexico's high tariffs and other barriers to trade.

JOBS

I understand that many of my constituents—and workers across America—are anxious and unsure about their jobs and their families' economic future. In the context of dramatic changes and general economic uncertainty prevalent today, fears about losing jobs are understandable. However, the United States did not become the world's wealthiest and most prosperous nation by closing itself off from the world; it did so by opening its markets to goods and products from abroad while persuading others to follow. The result was the certain on jobs and the boosting of the standard of living for the American people as well as for those around the world.

Opponents of NAFTA have centered their arguments on the assertion that, with NAFTA,

United States jobs will be lost because American companies will have a greater incentive to move their manufacturing plants to Mexico to take advantage of lower wages. If I thought this would be the most likely outcome, I would not, indeed could not, support NAFTA. But I am not convinced that NAFTA will result in the loss of more jobs than will be created. I think the reverse is more likely.

Any United States company that believes it will benefit by hiring cheaper labor in Mexico can go there now; nothing is stopping them. In fact, because of Mexico's high tariffs, the status quo actually encourages United States companies to locate in Mexico if they want to avoid the 10 percent border tax and boost their ability to sell in the Mexican market. If NAFTA is defeated, the status quo will continue. Mexico's current domestic content requirements would remain in effect—and perhaps increase—forcing United States businesses to increase their activities in Mexico if they wish to remain competitive in that market.

If NAFTA is approved, however, it will create a level playing field by uniformly phasing out barriers to free and fair trade that Mexico now imposes on United States goods. There will be less—not more—of an incentive for American businesses to move their plants and jobs to Mexico. With NAFTA, United States companies will be able to stay in the United States while enjoying unfettered access to 88 million consumers in Mexico who already spend more per capita on American goods than do Europeans. This in spite of the existing 10 percent Mexican tax on our goods and products.

While I have listened carefully to the arguments about the specter of cheap Mexican labor taking jobs away from decent, hard-working Americans, it is important to remember that the cost of labor—or wages—are not the only thing that determines where a business chooses to locate a plant. Low wage rates do not automatically equate with increased productivity, job skills, quality, or innovative talent. Nor can it compensate for lack of infrastructure or access to raw materials. If wages were the only factor of paramount concern to businesses in siting a manufacturing plant, impoverished nations like Bangladesh and Haiti would be magnets drawing away United States jobs.

It is true that the average Mexican worker is paid about eight times less than his American counterpart. It is a legitimate question to ask how America can expect its jobs to survive. I believe the answer lies in the reason for their survival thus far: American workers are more than eight times as productive. U.S. workers remain the most productive in the world because they're smart, they're imbued with a strong work ethic, and they've got superior technology with which to work. They are worth the higher wages because they can do the same job more quickly and make better quality products than other workers.

Besides considering wage rates and worker productivity, businesses also take into consideration other factors in deciding whether or not to relocate to Mexico. For example, the cost of shutting down a plant, idling equipment, and laying off workers is enormous. It is increased further by the expense of locating a site in Mexico, building new facilities, setting up equipment and training a new work force. It would take years for other workers to become as productive as U.S. workers. Relocating to Mexico just doesn't make sense for most manufacturers. NAFTA even offers an incentive for some United States plants in Mexico to close and manufacture their products here in the United States.

Virtually every credible economic study shows that NAFTA will be a net creator of U.S. jobs. The administration and others project that NAFTA will create as many as 200,000 export-related jobs by 1995. They will be the sort of high-wage, high-skill jobs this country needs to create and maintain. The beneficiaries of NAFTA will not just be huge corporations as some have argued. As I have said earlier, they do not need NAFTA to close up shop here and move jobs south to Mexico or other low wage countries.

The true beneficiaries under NAFTA will be the thousands of small companies and entrepreneurs who could not previously afford to sell their products in Mexico because they did not have unfettered access to that growing market. These small businesses, which fire our Nation's economic engines and have created most of the increases in the U.S. jobs since the early 1980's, will be better situated with NAFTA to focus their entrepreneurial talents on expanding their businesses and creating even more jobs for Americans.

Those who oppose NAFTA may well ask: suppose you are wrong? To them I would point out that if the United States does not like the results, we can get out of NAFTA by just giving 6 months written notice to Mexico or Canada. But if we reject NAFTA and are wrong in doing so, the damage would be done and the harm could not be remedied for many years.

U.S. SOVEREIGNTY

Like all significant trade agreements, NAFTA includes a dispute resolution mechanism to determine if a member government has violated the agreement. Some NAFTA opponents have ignored the facts regarding NAFTA's dispute resolution process and regularly claim that NAFTA involves an unprecedented surrender of U.S. national sovereignty. Such charges are without foundation.

Under NAFTA and the supplemental agreements, the United States retains all sovereign rights to take actions it considers necessary and appropriate to protect the health and welfare of its citizens. Federal, State and local authorities in the United States will maintain sole responsibility for the enforcement of U.S. environmental and labor laws. The Federal Government and the States will maintain the right to establish their own environmental and labor policies and priorities and, as deemed appropriate by each, to adopt or modify laws and regulations in these areas. Article 904, paragraphs 2 of NAFTA expressly states:

> Notwithstanding any other provision of this Chapter [9], each Party may, in pursuing its legitimate objectives of safety, of the protection of human, animal or plant life or health, the environment or consumers, establish the levels of protection that it considers appropriate.

Under NAFTA, Mexico and Canada will not be able to reduce the authority of Americans over their own affairs. I agree with the analysis of former appellate court justice and constitutional scholar Judge Robert Bork, who concluded that the United States does not give up its sovereignty under NAFTA.

ILLEGAL IMMIGRATION

One of the most troubling issues in our relations with Mexico is the tide of illegal immigration that has crossed our 2,000-mile border. I agree with those who believe that NAFTA will elevate the Mexican economy as it will our own. Expansion of their economy will create opportunities for individual Mexicans and their country as a whole. With this growth, there will be fewer Mexicans so desperate for a way to support their families that the incidents of Mexican immigration to the United States will be less—not greater—under NAFTA. My concern over the high numbers of illegal immigrants, which are adding to the costs of our Nation's social services, is an important reason for my support of NAFTA.

MEXICO

NAFTA's opponents like to talk about Mexico as a poor, impoverished country, inhabited by people who cannot afford American goods. This is simply not true. Mexico is the world's twelfth largest economy in the world and will soon become one of the world's top ten markets. It is already America's third largest trading partner.

After Mexico unilaterally began to reduce its trade barriers and open its markets in 1986, exports from the United States to Mexico more than tripled—from $12.4 billion in 1986 to $40.6 billion in 1992. In Virginia alone, merchandise export almost quadrupled in this time period from $41 million to $158 million. Moreover, our Nation's $5.7 billion trade deficit with Mexico in 1987 has been transformed into a $5.4 billion surplus in 1992. Today, more than 700,000 U.S. jobs are supported by exports to Mexico.

Although its economy is little more than one-twentieth the size of the United States, Mexican consumers definitely like—and buy—United States products. They spend 15 cents of every dollar earned on U.S. goods, with the average person buying $450 of U.S. goods and services each year. This compares to $299 for the average European who earns twice as much, and $385 for the average Japanese who earns five times as much. We sent a record $40.6 billion in exports to Mexico last year. Purchases will only increase as the trade barriers are removed and the economic stimulus of free trade creates a wealthier consumer market in Mexico.

AMERICA'S RELATIONSHIP WITH MEXICO, LATIN AMERICA AND THE WORLD

President Salinas of Mexico and his administration have made a bold and historic decision in agreeing to NAFTA and entering into a partnership with the United States. They have reversed the traditional anti-United States gringo bashing stance of the Mexican Government for the past many decades. Mexico has staked its future on free and open markets. Since 1988, these changes have brought significant increases in Mexican workers' earnings, enabled Mexico to pay off 25 percent of its foreign debt and led to a dramatic decrease in the level of inflation.

If the United States Congress rejects NAFTA, it will be an affront to Mexico that will cast a dark cloud over our relations with it and

all of our neighbors in Latin America for decades. NAFTA is a historic opportunity that should not be squandered. The future of our Nation's foreign relations with Latin America—far more important than many Americans realize—will suffer greatly if NAFTA is not approved. NAFTA firmly places the United States on the side of market reforms, regional cooperation, broad-based economic development, democracy, and the principle of trade not aid.

Rejection of NAFTA will adversely affect upcoming trade talks with the nations of the Pacific rim which are being held the week of November 15 in Seattle, WA. Even more potentially damaging to United States interests would be the impact, if NAFTA is defeated, on the success of the ongoing Uruguay round of world trade talks which must be concluded by December 15, 1993.

It would be profoundly unwise to undermine our credibility and commitment to free, open, and fair trade on a level playing field by rejecting NAFTA. Such an action would send a clear message that Americans are retreating from their position of international leadership and advocacy for free and open competition without artificial barriers to trade. My vision of America convinces me that it would be a tragic mistake to reject NAFTA and send a message that we have lost faith in ourselves and our ability to compete successfully in global markets.

CONCLUSION

America's greatest growth has always occurred when trade with other nations was actively encouraged by strong U.S. leadership. For 50 years, American leaders have supported the systemic expansion of global free trade. Within this framework, the United States has prospered enormously. However, the opposite occurred when Congress enacted the Smoot-Hawley Tariff Act of 1930, short-sighted, protectionist legislation that raised barriers to trade. Although well intentioned, this act of isolationism served to close off the U.S. market, caused a worldwide trade war and consequently deepened the Great Depression. We must not let this sad chapter of our Nation's history repeat itself.

With NAFTA, we not only have the opportunity to create and maintain good jobs for America, but we also place ourselves in a better position to strengthen our international leadership in the Western Hemisphere and around the world. In the final analysis, I believe NAFTA is a positive step forward that will enable us to better compete and win in today's global economy.

There are, I am told by opponents of the accord, negative political consequences in supporting NAFTA. My intense study of this issue persuades me that supporting NAFTA is in the best interest of America and of Virginia's First District. I have always believed that why I was elected was much more important than whether I was elected. In this spirit, confident that it is the right thing to do, I will vote on Wednesday for NAFTA.

CELEBRATING THE 20TH ANNIVERSARY OF NWPC-MARIN

HON. LYNN C. WOOLSEY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, November 15, 1993

Ms. WOOLSEY. Mr. Speaker, I rise today to pay a special tribute to a group of women in my district who have done wonderful work for the past two decades. This month, the National Women's Political Caucus of Marin is celebrating 20 years of commitment to increasing women's participation in the political process, both as voters and as candidates.

The National Women's Political Caucus [NWPC] is the only multipartisan, grassroots organization focused on ensuring that women have fair representation in public and appointed offices throughout our Nation. They made significant contributions to the success of the "1992 Year of the Woman," and are working toward making the 1990's the "Decade of the Woman."

In pursuit of its goals, NWPC Marin is dedicated to attaining equality for women, ensuring reproductive freedom, and eradicating discrimination on the basis of gender, race, religion, age, sexual orientation, disability, or poverty.

Since their founding in 1973, NWPC Marin has enjoyed success at all political levels and is proud to have a founding member and a past president in the U.S. Senate, my colleague Senator BARBARA BOXER. They also have Members in the House of Representatives, the California State Assembly, and the Marin County Board of Supervisors. Many of their members have been elected to city councils and school boards as well.

Many warm congratulations to NWPC Marin for its outstanding work in the field of women and politics. I wish them many more years of success.

PEROT IS WRONG ABOUT MEXICO AND NAFTA

HON. E de la GARZA

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, November 15, 1993

Mr. DE LA GARZA. Mr. Speaker, as the House of Representatives prepares to vote on the North American Free-Trade Agreement [NAFTA] this week, I want to call to my colleagues' attention an editorial that appeared in the November 13, 1993 edition of the Valley Morning Star, published in Harlingen, TX, one of my south Texas district's leading newspapers.

Like my fellow residents who live along the United States-Mexico border, I have been appalled and ashamed of recent characterizations of Mexico. I sincerely hope none of my colleagues here in the House will associate themselves with the misleading, fearmongering, anti-Mexican rhetoric being heard in the debate on NAFTA.

[From the Harlingen Valley Morning Star, Nov. 13, 1993]

PEROT'S MEXICO NOT THE REALITY

The pathetic picture Ross Perot painted of Mexico in his debate with the vice president on Tuesday may once have rung true, but not now. Mexico today is rapidly changing from a socialist backwater to a modern market economy. At stake in next week's vote on NAFTA is whether the United States will bless this change or curse it.

In trying to make his convoluted case that Mexico is too poor to be a trading partner, Perot described Mexico as an impoverished dictatorship where three dozen families control most of the wealth. Perot said the typical Mexican dreams of having running water and an outhouse. He asked why we would want to trade with such a poor neighbor anyway. "People who don't make anything cannot buy anything," he quipped.

Residents of the Valley know Perot is wrong. Many merchants here depend heavily on purchases by our neighbors to the south, just as many businesses on the Mexico side of the border count on the dollars of Americans. A recent study by professors at the University of Texas-Pan American found Mexican nationals put about $1 billion into the Valley economy, four times that spent by Winter Texans. As they account for about one-third of total retail expenditures here, it seems Mexican nationals manage to buy at least a few things.

Like much of what Perot has claimed about the North American Free Trade Agreement, his portrait of Mexico is divorced from reality. In the past decade Mexico has made dramatic strides in freeing its economy from the shackles of state control. Under the leadership of President Carlos Salinas de Gortari, hundreds of state-owned enterprises, including the giant telephone company, have been sold to private investors. Economic controls have been loosened and import barriers lowered. In other words, the free market has been allowed to work.

Mexican workers and families have been the chief beneficiaries. While Mexico remains a poor country relative to the United States, its per-capita income has risen smartly in the past decade to $3,700, putting it on a par with emerging East Asian countries such as Malaysia and Thailand. Real wages in Mexico have risen steadily since 1987, and today about 15–20 percent of its 85 million people are in the middle class.

Mexico's lower trade barriers and rising prosperity have whetted the country's appetite for American goods. Since 1986, American exports to Mexico have soared from $12.6 billion to $40.6 billion last year. Those exports support an estimated 750,000 jobs in the U.S.

Approval of NAFTA would reinforce every one of these positive trends. It would encourage greater economic ties between the United States and Mexico—to the benefit of people on both sides of the border. It would create the "level playing field" advocates of fair trade say they want. It would nurture Mexico's emergence into the modern global economy, gradually replacing its slums with productive consumers.

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose

of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Meetings scheduled for Tuesday, November 16, 1993, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

NOVEMBER 17

9:00 a.m.

Agriculture, Nutrition, and Forestry

To hold hearings on the nominations of Anthony A. Williams, of Connecticut, to be Chief Financial Officer, Grant B. Buntrock, of South Dakota, to be a Member of the Commodity Credit Corporation, and Wally B. Beyer, of North Dakota, to be Administrator of the Rural Electrification Administration, all of the Department of Agriculture, and John E. Tull, Jr., of Arkansas, and Barbara Pedersen Holum, of Maryland, each to be a Commissioner of the Commodity Futures Trading Commission.

SR-332

Labor and Human Resources

Business meeting, to mark up S. 1595, Bone Marrow Donor Program Reauthorization, S. 1597, Organ Transplant Program Reauthorization, S. 1040, Technology for Education Act, S. 244, National Community Economic Partnership Act, and S. 784, Dietary Supplement Health and Education Act, and to consider pending nominations.

SD-430

9:30 a.m.

Energy and Natural Resources

Business meeting, to consider pending calendar business.

SD-366

Governmental Affairs

To hold hearings to examine the role stolen military parts may play in incidences of gun violence.

SD-342

10:00 a.m.

Banking, Housing, and Urban Affairs

To hold hearings on the consolidation of regulatory agencies.

SD-538

Commerce, Science, and Transportation

To hold hearings on S. 1350, to revise the Earthquake Hazards Reduction Act of 1977 to provide for an expanded Federal program of hazard mitigation and insurance against the risk of catastrophic natural disasters, such as hurricanes, earthquakes, and volcanic eruptions.

SR-253

Finance

Business meeting, to consider miscellaneous no-cost legislative provisions relating to health and welfare that were omitted from the Budget Reconciliation Act.

SD-215

Labor and Human Resources

To continue hearings on the Administration's proposed Health Security Act, to establish comprehensive health care for every American, focusing on how to meet the health care needs of all Americans.

SD-430

Select on Intelligence

To hold hearings on the use of commercial imagery.

SH-216

3:30 p.m.

Foreign Relations

To hold hearings on the nominations of M. Douglas Stafford, of New York, to be Assistant Administrator for Food and Humanitarian Assistance of the Agency for International Development, and L. Ronald Scheman, of the District of Columbia, to be U.S. Executive Director of the Inter-American Development Bank.

SD-419

NOVEMBER 18

9:00 a.m.

Judiciary

To hold hearings on pending nominations.

SD-226

9:30 a.m.

Energy and Natural Resources

Public Lands, National Parks and Forests Subcommittee

To hold hearings on S. 316, to expand the boundaries of the Saguaro National Monument in Arizona, S. 472, to improve the administration and management of public lands, National Forests, units of the National Park System, and related areas by improving the availability of adequate, appropriate, affordable, and cost effective housing for employees needed to effectively manage the public lands, and S. 1631, to revise the Everglades National Park Protection and Expansion Act of 1989.

SD-366

Indian Affairs

Business meeting, to mark up S. 1618, to establish Tribal Self-Governance, H.R. 1425, to improve the management, productivity, and use of Indian agricultural lands and resources, S. 1501, to repeal certain provisions of law relating to trading with Indians, and proposed technical amendments; to be followed by a hearing on S. 1345, to provide land-grant status for tribally controlled community colleges and postsecondary vocational institutions, the Institute of American Indian and Alaska Native Culture and Arts Development, Southwest Indian Polytechnic Institute, and Haskell Indian Junior College.

SR-485

10:00 a.m.

Armed Services

To hold hearings on the nominations of Togo Dennis West, Jr., of the District of Columbia, to be Secretary of the Army, Joe Robert Reeder, of Texas, to be Under Secretary of the Army, and Richard Danzig, of the District of Columbia, to be Under Secretary of the Navy.

SR-222

Foreign Relations

Business meeting, to mark up S. Res. 160, regarding the October 21, 1993, attempted coup in Burundi, and proposed legislation on reform in emerging new democracies and support and help for improved partnership with Russia, Ukraine, and other New Independent States, S. 1627, to implement the North American Free Trade Agreement (NAFTA) (Subtitle D with regard to supplemental agreements), proposed legislation with respect to the compliance of Libya with United Nations Security Council resolutions, S. 1625, the Anti-Economic Discrimination Act, S. Con. Res. 50, relating to the Arab-Israeli boycott, and to consider pending nominations and treaties.

SD-419

Labor and Human Resources

To continue hearings on the Administration's proposed Health Security Act, to establish comprehensive health care for every American, focusing on the needs of rural America.

SD-430

10:30 a.m.

Commerce, Science, and Transportation

Consumer Subcommittee

To hold hearings to examine arson research, prevention, and control issues.

SR-253

2:00 p.m.

Commerce, Science, and Transportation

Surface Transportation Subcommittee

To hold hearings to examine the impact of recent diesel fuel price increases on the motor carrier industry.

SR-253

Energy and Natural Resources

To hold hearings on the nomination of Christine Ervin, of Oregon, to be an Assistant Secretary of Energy (Energy Efficiency and Renewable Energy).

SD-366

Finance

International Trade Subcommittee

To hold hearings on proposed legislation on the effects of foreign shipbuilding subsidies on the U.S. shipbuilding industry.

SD-215

2:30 p.m.

Labor and Human Resources

To continue hearings on the Administration's proposed Health Security Act, to establish comprehensive health care for every American, focusing on the role of the pharmaceutical industry.

SD-430

Indian Affairs

To hold hearings on H.R. 734, to provide for the extension of certain Federal benefits, services, and assistance to the Pascua Yaqui Indians of Arizona.

SR-485

NOVEMBER 19

9:30 a.m.

Armed Services

To hold hearings on the nomination of Morton H. Halperin, of the District of Columbia, to be Assistant Secretary of Defense for Democracy and Peacekeeping.

SH-216

Finance

Social Security and Family Policy Subcommittee

To hold hearings to examine welfare reform issues.

SD-215

Indian Affairs

To hold hearings on S. 1526, to improve the management of Indian fish and wildlife and gathering resources.

SR-485

10:00 a.m.

Foreign Relations

East Asian and Pacific Affairs Subcommittee

Closed briefing on North Korea's intransigence on the nuclear inspection issue.

S-116, Capitol

Labor and Human Resources
To continue hearings on the Administration's proposed Health Security Act, to establish comprehensive health care for every American, focusing on the needs of Americans with disabilities.
SD–430

NOVEMBER 22

9:30 a.m.
Agriculture, Nutrition, and Forestry
Agricultural Research, Conservation, Forestry and General Legislation Subcommittee
To hold hearings to review the Federal meat inspection programs.
SR–332

10:00 a.m.
Labor and Human Resources
Labor Subcommittee
To hold hearings on the Administration's proposed Health Security Act, focusing on retiree health benefit coverage.
SD–430

NOVEMBER 30

9:30 a.m.
Indian Affairs
To hold hearings on S. 1216, to resolve the 107th Meridian boundary dispute between the Crow Indian Tribe, the Northern Cheyenne Indian Tribe, and the United States and various other issues pertaining to the Crow Indian Reservation.
SR–485